

JPRS 83408

5 May 1983

Southeast Asia Report

No. 1282

FBIS

FOREIGN BROADCAST INFORMATION SERVICE

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STRICT ISLAMIC LAWS IN STORE FOR BRUNEI

Wellington THE EVENING POST in English 29 Mar 83 p 2

[Article by Errol de Silva]

[Text]

Brunei, Britain's South-east Asian protectorate, will introduce Islamic laws to prohibit alcohol and have adulterers stoned to death.

As a prelude to drafting new laws when the country gets independence in December, the Sultan of Brunei has sent his chief minister to Saudi Arabia for a study tour.

The minister has also been holding a series of discussions with the acting secretary-general of the World Moslem League, Ali Mukhtar, who is believed to have welcomed Brunei's decision to adopt strict Islamic laws.

Brunei's new laws were disclosed by officers there to study Singapore's foreign service.

Singapore is also involved in the formation of Brunei's internal security: a number of agents are being trained by their Singapore counterparts, while the former deputy director of Singapore's internal security division, John Cecil Cooke, has been sent to Brunei to help with internal security.

Hands cut off

Brunei officials here say the laws will be similar to those followed by Saudi Arabia. In addition to a blanket ban on alcohol and tough penalties against adultery, the new laws will also provide for the hands of convicted thieves and robbers to be cut off.

Brunei's new radicalism was evident recently when the oil-rich protectorate served notice on the Anglo-Dutch petroleum giant, Shell, that it wanted to enter into production-sharing contracts.

Petroleum sources say Brunei told Shell the contracts would be drawn up in a manner similar to those followed by Indonesia and Malaysia. Such contracts have led to a number of unhappy disputes between those countries and foreign petroleum companies.

OPERATIONS AGAINST KAREN INSURGENTS REPORTED

BK071417 Rangoon Domestic Service in Burmese 1330 GMT 7 Apr 83

[Text] The armed forces, together with the people, have launched operations Aung Tagun, Taik Zwe Hong and Zwe Aung against insurgents in the 1983 open season in the central and the southeast military command areas. As a result, there have been 3 major battles and 118 minor ones.

On 17 February, a 66-man Karen insurgent force penetrated Pegu Yoma in the central military command area. Armed forces columns from the 66th Light Infantry Division and the working people trailed the force and attacked it. There were two battles—one each on 18 February and 4 March. Four members of our armed forces laid down their lives for the country while 13 others were wounded in the battles.

The bodies of five Karen insurgents were recovered, 24 insurgents were captured in the ensuing days and, as of 6 April, 27 other insurgents have surrendered to our forces and the people. A total of 58 small arms, 20,295 rounds of small arm ammunition, 157 magazines, 9 handgrenades, 8 mines, 1 talkie-talkie, 3 radios and 1 pair of binoculars were also seized. The remaining 10 Karen insurgents separated and are fleeing from the armed forces' offensive.

Between 8 and 13 February, an armed forces column from the 44th Light Infantry Division clashed with Karen insurgents near Mepale village, Myawadi Township, in the southeast military command area. One member of our armed forces was wounded, while the bodies of six Karen insurgents were recovered.

An approximately 500-strong Karen insurgent force laid siege to and attacked our armed forces camp at (Kadinechi) village in Papun Township from 8 to 13 February. Our armed forces successfully repulsed the attack while reinforcements surrounded and smashed the insurgents. A total of 11 members of our armed forces laid down their lives for the country while 65 others were wounded. The enemy fled in disarray leaving behind 41 bodies.

Between 11 and 17 February, about 150 Karen insurgents attacked our armed forces camp at Myitta village in Tavoy Township. An intense battle broke out in which 3 members of our armed forces gave up their lives for the country while 22 others were wounded. Five bodies of Karen insurgents were recovered along with seven mines.

CSO: 4211/24

BURMA

BRIEFS

PANGLONG AREA BATTLE NEWS—On the morning of 27 March, the People's Army made an attack at (Yelong) on three companies of military government's mercenary army which had sallied out of Panglong. The attack killed 15 enemy soldiers and wounded 35 others, including 2 mercenary officers. The enemy retrated in the evening. The People's Army captured 1 pistol, 1 G-2, 3 G-4's, 1 40-mm mortar, more than 500 rounds of assorted ammunition and other military supplies. [Text] [BK011416 (Clandestine) Voice of the People of Burma in Burmese 0030 GMT 1 Apr 83]

CSO: 4211/24

BRIEFS

FIJI ELECTION INVESTIGATION--NZPA Suva--An opposition party at a royal commission of inquiry into the Fijian general election last July has been told that no foreign witnesses will testify before the commission which resumes today. The commission has attempted to bring to Fiji several witnesses, including the Soviet ambassador based in Australia and the authors of the controversial Carol Report which allegedly advised the Alliance Party Government how to win the elections. But the head of the inquiry, New Zealander Sir John White, has told the opposition National Federation Party that there has been little response to the commission's request for the witnesses to travel to Fiji. The Opposition claimed during the election that the Government had hired a four-man Australian team to prepare the Carol Report. The Prime Minister, Ratu Sir Kamisese Mara, later claimed that the Opposition had received \$1 million from the Soviet Union to help it to fight the election. The Government accused a former Indian high commissioner to Fiji, Mrs Soonu Kochar, of helping the Opposition to obtain the Soviet money. Sir John has already rejected an application by the coalition partner of the Opposition, the Western United Front, for the inquiry to be deferred while the damage caused by Hurricane Oscar is repaired. But Sir John ruled that it would be wrong for the inquiry to be deferred, because it was to investigate the truth of serious allegations and it had a duty to discharge, which was also of national importance. [Auckland THE NEW ZEALAND HERALD in English 21 Mar 83 p 2]

CSO: 4200/533

REBELS BATTLE ON IN TIMOR

Bangkok BANGKOK POST in English 28 Mar 83 p 9

[Article by Gilles Bertin]

[Text]

JAKARTA

A FEW hundred guerrillas of the East Timor Liberation Movement are continuing to fight Indonesian troops which in 1975 invaded East Timor, a former Portuguese colony.

They are trying to involve more of the 551,000 residents of the island in their fight, reliable sources in Jakarta said.

An Indonesian who travels regularly to Timor said that the 4,000 to 5,000 Indonesian soldiers sent to East Timor have not managed, after more than seven years of fighting, to eliminate the local movement, called the Fretilin. The Fretilin have even been coming down from the mountains to mix with the population. He said the rebels number about 500 and are equipped with no more than 100 rifles.

Meanwhile, arrests on East Timor are continuing. Some 3,300 people, including women and children, are being detained on the nearby island of Atauro, reliable sources in Jakarta said. On Timor itself there are about 10 jails, including the La Comarca prison in Dili, the capital of the former Portuguese colony. The number of prisoners held in these jails is not known.

Several hundred people recently released from detain-

ment on Atauro have been moved to villages on East Timor controlled by the Army. They cannot make trips of more than five kilometres without permission.

Portugal has said it will receive residents of Timor who have either Portuguese passports or links with the former mother country. But Jakarta has been delaying such departures for what it says are "technical reasons." A diplomat in Jakarta said: "Indonesian officials fear that the 'repatriated' will make statements harmful to Indonesia."

About 400 people want to emigrate from Timor to Portugal, including at least 60 who have family there. Two hundred other residents want to move to Australia. Among these is the Portuguese poet Inacio Moura, 42, who was arrested on February 17 by Indonesian police at the house in Jakarta of an International Red Cross representative. Moura, who holds a Portuguese passport, wanted to rejoin his wife and two children, who were already in Australia.

But Moura was sent back to Timor and put under house arrest. Over the past five years, only about 100 people have managed to leave the eastern part of the island under more or less official aus-

pices and this only after paying sums of from \$1,500 to \$7,000, sources in Jakarta said.

On the island, the population resists integration into Indonesia by shunning the Indonesian their children are forced to learn in school and by reaffirming their Catholicism. The residents do not mix with the soldiers and bureaucrats from Jakarta, most of whom are Muslim.

The Indonesian Government has made a large financial effort in this region, spending \$70 million in 1982 and 1983 while the total revenue for the region is less than half a million dollars. Authorities have built roads and schools and begun several agricultural programmes, but corruption and an inept local bureaucracy have hindered economic and social development in this territory, which Jakarta considers Indonesia's 27th province.

Diplomatically, Indonesia is stalled. In February the United Nations Human Rights Commission voted 15-14 for East Timor's "right to self-determination." The United Nations General Assembly has supported the tiny island and Lisbon is expected to be tougher on the Timor question since the socialists came to power in Portugal. — AFP

PLIGHT OF ILLEGAL IMMIGRANT DETAINEES DESCRIBED

Jakarta MERDEKA in Indonesian 5 Mar 83 pp 1, 3

[Article: "Five Illegal Immigrant Detainees at the Center Have Psychological Problems"]

[Text] Five illegal immigrant detainees at the Halim Perdanakusuma Center in Jakarta have mental problems due to the pressures of their lengthy imprisonment. They are being treated at the mental hospital (RSJ) in Bogor.

The 5 are Fang Ho (imprisoned for 24 years, since 3 November 1957), Lie Tjie Ping, born in China (imprisoned since 16 February 1959), Kwan Ngong (imprisoned since 16 May 1959), Lay May alias Lioe Kuy (imprisoned since 23 July 1959), and Oei Kim Soen who claims to be a Japanese citizen (imprisoned since 15 November 1975).

Twenty-one persons live in the central immigration detention center, located at Halim Perdanakusuma near the Indonesian Air Force complex. Most of the detainees are illegal immigrants with no immigration documents. One of the prisoners, Moh. Noer bin Doing, has been held there for 31 years.

In addition to Noer, who was imprisoned on 19 August 1954, 2 have been imprisoned for 24 years. They are Tjoe A Djin, who claims to have been born in China, imprisoned since 16 March 1959, and Auw Yong Thong, born in the same country, who has been imprisoned since 23 July 1959.

According to a MERDEKA survey, these illegal immigrants are not "caged" like criminals. They are free to move about and some even work in the Halim Perdanakusuma Airport area in Jakarta.

Those who live in the Air Force barracks in the Halim Perdanakusuma complex are disturbed by the freedom allowed these illegal immigrants.

In addition to disturbing the residents of the complex the detainees create problems for airport security personnel because they frequently beg from tourists at the airport.

A person employed at the detention center who was contacted by MERDEKA about the fate of these illegal immigrants did not wish to comment because the policy for these people had been set by the leadership.

It is clear that the illegal immigrants do not want to be repatriated because families in their country of origin might not accept them. As a result, they put up with living in the detention center. Some plant a few crops and others are active as petty tradesmen.

6804

CSO: 4213/54

FORMER ABADI REPORTER TRIED FOR SUBVERSION

Jakarta HARIAN UMUM AB in Indonesian 2 Mar 83 p 2

[Article: "Trial of Former ABADI Reporter: Bribed a HANKAM Official To Give Him Secret Information"]

[Excerpts] Has Sur (55 years old), formerly employed by the daily newspaper ABADI as a reporter, was charged with subversion for leaking HANKAM [Department of Defense and Security] secrets. He admitted to Chief Judge Ali Budiarto that he had bribed a HANKAM official to obtain books classified as "secret."

Has Sur gave this information yesterday [2 March] during his trial at the Central Jakarta District Court when the chief judge questioned him on his experiences as a reporter assigned to HANKAM and the ease with which it was possible for him to obtain secret information. Moreover, Has Sur added, one could readily obtain information classified as secret, limited use as well as top secret. The HANKAM "official" was not named in yesterday's session of the trial.

Between 1969 and 1978, when Has was assigned by the editor to HANKAM, he turned over a variety of state documents to the editorial board of ABADI. He also admitted that he had done the same with secret documents he obtained from the Army and the Command for the Restoration of Security and Order. All this information was handed over to the editorial board of the paper then known as ABADI. After that paper was muzzled by the government, it reappeared as MIMBAR ISLAM and all secret documents were taken over by the new editorial board.

Has Sur added that none of the secret documents was published in ABADI. They were used by the editorial board as background information on the government's political posture.

In his statement during yesterday's session, the defendant further stated that when he no longer worked as a reporter, he tried to disseminate a number of state secret documents to members of GPII (Indonesian Islamic Students Movement) for which he was the central secretary.

He admitted that he gave photocopies of secret HANKAM documents to three persons: Dr Rosidi, former Islamic docent at the University of Indonesia who became chairman of the Islamic Foundation in Solo; Ules Sudja'i, a former DI/TII [State of Islam/Islamic Army of Indonesia] leader, whom he knew well; and Affandi, an author of books on the Islamic religion.

Has Sur admitted giving a set of secret books to Ules Sudja'i, whom he knew was a former DI/TII leader being sought by the government, because he wanted Ules Sudja'i to be less strongly committed ideologically than he had been during the period when DI/TII was supreme so that Ules could be invited to cooperate with the present lawful Indonesian Government.

In an earlier session of the trial, the defendant admitted to having obtained photocopies of the "Guide to Security Operations for the 1982 General Election" and the "Guide for Social Communication Between Muslims and ABRI [Indonesian Armed Forces] Personnel" from Gomsonil Yasin. Gomsonil, in a written instruction delivered by the defendant, ordered Nazaruddin Latif to make photocopies of the documents.

Public prosecutor Susilo Oeripto accused Has Sur of obtaining the two books, classified secret, and disseminating them to a number of individuals including the DI/TII member, Ules Sudja'i. These two books were obtained from Gomsonil Yasin who got them from Suparman, a "sidewalk" printer on Surabaya Street in Jakarta. Suparman worked at this job on instructions from the HANKAM Territorial Staff (STER) and given to him by Lt Col Inf Yeyep Safrudin.

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CSO: 4213/54

NATIVE ISLAMIC MOVEMENT LEADERS TRIED, SENTENCED

Trial of NII Imam

Jakarta KOMPAS in Indonesian 1 Mar 83 p 3

[Excerpts] Public Prosecutor Haryadi Widyasa demanded a sentence of life imprisonment for H.A.D. (60 years old) alias Kyai S.L.C. The trial continued on Monday afternoon [28 February] in the Central Jakarta District Court, and was chaired by Chief Judge Sudiyono assisted by member judges, M. Ali Budiarto and A. Razak.

The imam of the Darul Islam community was sent to trial for planning to form an NII (Indonesian Islamic State) as a continuation of the Kartosuwiryo struggle. According to the public prosecutor, H.A.D. conducted and led an underground struggle to overthrow the lawful Indonesian government. Further he intended to replace the Pancasila state ideology [with a theocratic basis] and the 1945 Constitution. The prosecutor said H.A.D. was the NII chief of state and imam.

According to the indictment, H.A.D. was a DI/TII [State of Islam/Islamic Army of Indonesia] member during the Kartosuwiryo era. The defendant and the other DI/TII members surrendered to the Indonesian Government in 1962 and were given mass amnesty. Between 1966 and 1971 H.A.D., together with his comrades who also were former DI/TII members, was frequently asked to come in for consultation by Military Region Command VI, Siliwangi, of West Java.

Efforts to reestablish the Darul Islam organization began in 1976 at the home of Danu M. Hasan on Situaksan Street in Bandung. From that time on the defendant and his comrades worked actively to assemble followers of the community. In Tangerang in July 1979, H.A.D. was promoted to imam concurrently chief of state by the DI/TII members. According to the public prosecutor, activities of the Darul Islam community, headed by H.A.D., put obstacles in the way of programs of Development Cabinets I, II and III.

In the primary indictment, the public prosecutor said H.A.D. had twisted, undermined and turned aside the state ideology, undermined the legal government authority, spread hostility and created disorder.

The public prosecutor appealed to the court and public not to look at this case "through a glass darkly." He said H.A.D. had acted inappropriately in regard to the religion he professed to follow. "The defendant used religion to achieve his personal goals as well as those of his group," Haryadi said.

The public prosecutor also took the opportunity to comment on "fai" and the death sentence which had been debated by the defense attorney as well as Haryadi Widyasa in a number of previous sessions. H.A.D. in all honesty had described himself as an imam blessed with the ability to interpret "fai." The community's concept of "fai" is treasure given by God to the Prophet and taken from another. "Fai" is obtained without resorting to war.

Seen through the public prosecutor's eyes, "fai" is nothing more than orbbery. Funds for propaganda were obtained by the use of threats or by robbing people. These things were done by members of special troops. Moreover some persons were shot for trying to protect their possessions.

The public prosecutor said that swearing an oath of loyalty to the Darul Islam community was the first step toward fanaticism and a discipline which bore severe consequences. Members of the community who broke their oaths could be sentenced to death. "It could be said that the attitude, concepts and motivation of the defendant were not based on religious principles. Clearly they were criminal acts," the prosecutor said.

Trial of NII Minister

Jakarta KOMPAS in Indonesian 2 Mar 83 p 8

[Excerpts] At the Surakarta District Court on Monday [28 February], Ahmad Hussein Solikhun Kudus, "Information Minister" of the Indonesian Islamic State (NII), 53 years old, was sentenced to 20 years in prison. The judicial session, headed by Judge Sucipto, decided the defendant was guilty of subversion by violating the Anti-subversion Law.

In the 20 February session [as published], the public prosecutor demanded a sentence of life imprisonment for the defendant.

It was the decision of the court that the defendant had been proved to have committed the crimes of which he had been accused. Nevertheless the defendant admitted that he had not intended to undermine the authority of the lawful government, alter the philosophy and Pancasila ideological basis of the state as well as the 1945 Constitution, nor had he intended to overthrow the Indonesian Government. However the defendant's activities as a member of the NII community could not be separated from those prescribed in the overall program or the type of activities conducted by the organization.

The defendant was an active member of the NII from 1976 to 1980. He held the post of commander (KW) of the Central Java region, AKT for the information sector (at the ministerial level) and finally chief of staff of the Java-Madura Greater Regional War Command.

Having held these positions, the defendant was felt to have participated in being responsible for a series of crimes such as robberies accomplished with the use of force and murders that occurred in Central Java. The defendant, in any case, obtained reports and received the goods taken in the crimes committed by the Warman terrorists who committed various crimes in Central Java, including robbing a night bus in Alas Roban (near Semarang), robbing a shop selling gold items in Majenang, robbing the home of Sirin Sugiyono Kudus, stealing the wages of employees at the Sunan Kalijaga State Islamic Religious Institute in Yogyakarta, murdering Parmanto (assistant rector for Islamic studies at the Nuruddin Sjahadat University in Solo) as well as murdering the KTW [Regional Army Command] member, Hassan Bauw, in Yogyakarta.

The court was of the opinion that the defendant was aware that the goals of the NII programs paralleled those of the banned DI/TII movement. The ultimate goal of that movement was nothing more than upholding the Holy Law of Allah and the Prophet and replacing the Pancasila ideological basis of the state [with a theocratic basis] and the 1945 Constitution. Therefore the court decided that the defendant had violated the loyalty oath taken at the time of the 1962 amnesty which pardoned followers of the DI/TII leadership, headed by the late S.M. Kartosuwiryo.

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CSO: 4213/54

REPORT ON 31 MAR FIGHTING AT PHNOM CHAT

BK091419 Phnom Penh Domestic Service in Cambodian 1200 GMT 7 Apr 83

[From the "Roundup of Outstanding Events in the Past Week" feature]

[Excerpt] During the week from 25 to 31 March the Thai authorities continued to launch provocations into a number of regions adjacent to the Thai-Kampuchean border. They sent L-19's and helicopters to violate our airspace for reconnaissance purposes over the Toek Sap, Chong Chom, Poipet and Kamrieng areas, 2 to 3 km inside Kampuchea. At sea, they used armed ships to intrude into the Koh Kong region. More insolent still, they fired 51 barrages of multicalibered artillery pieces from their territory into a number of sectors, such as the area south of Chong Chom in Siem Reap Province; Kamprieng, Pailin and Samlot in Battambang Province; the areas west and northwest of Smat Deng in Pursat Province; and Hills 343, 290 and 179 in Koh Kong Province. On average, the Thais fired from 100 to 150 shells of various artillery pieces daily. In particular, on 29 March they fired 4 barrages of 400 rounds each into the area northwest of Smat Deng, Pursat Province.

With all kinds of support and assistance of the Thais, the Pol Pot bandits and various Sereika groups taking refuge in Thai territory sent small groups of the ragtagged remnant troops across the border in an adventurous attempt to sabotage the people's peaceful life and loot their property. However, all the movements of the Pol Pot remnants and intrusions by Thai armed boats were promptly punished by our coast guards and our regular, regional and militia forces and people. In fact, on 31 March the Pol Pot remnants, massing at Phnom Chat in Thmar Puok District, Battambang Province, in an attempt to carry out crimes, were surrounded by our regional forces [Kangtoap Damban]. After 50 minutes of fighting, we took control of the battlefield, killing 42 Pol Pot soldiers, taking prisoner 12 others, seizing a large quantity of assorted weapons and destroying all their war materiel and depots.

From 24 to 26 March, the enemy soldiers crossing the border into the area south of Varin District, Siem Reap Province, in the vicinity of Phnum Chong, were intercepted by our armed forces. We killed 12 of them on the spot and seized four AK's and a B-40. In the same period, in the area northwest of Smat Deng, Pursat Province, a group of enemy soldiers sneaking in in an attempt to commit crimes was ambushed by our border defense forces, which killed six of them and seized five AK's. On 24 March, two groups of enemy soldiers

entering the area southwest of Hill 343 and west of Veal Veng were intercepted by our local armed forces. Twelve enemy soldiers were put out of action. We seized 7 AK's and 200 kg of food. On the same day, in Kaoh Nhek District, Mondolkiri Province, the Pol Pot remnants, hiding in the wood, sneaked in to contact their informers and sabotage the area. They were surrounded by our vigilant revolutionary armed forces. Three of them were immediately put out of action. An AK and an M-79 were seized. On 26 March, in the area 15 km northeast of Battambang, a number of hungry enemy soldiers, who tried to loot rice from our local population, were hunted down by our militiamen who killed two of them on the spot and seized a B-40 and 20 kg of rice. We returned the stolen rice back to the people.

CSO: 4212/31

GENERAL KHAMTAI ADDRESSES DEPARTING PRK MILITARY DELEGATION

Vientiane SIANG PASASON in Lao 28 Jan 83 p 2

[Speech by Gen Khamtai Siphandon at the Farewell Party for the PRK Military Delegation]

[Text] Respected Comrade Bou Thang, member of the PRK [People's Republic of Kampuchea] Central Committee, vice chairman of the Council of Ministers and PRK minister of defense.

Dear beloved comrades:

We are happy and most proud of Minister Bou Thang's fine and friendly speech toward the LPRP, its government and the people, and the Lao People's Army. We wholeheartedly express our thanks to Minister Bou Thang and the delegates.

During their visit to Laos, its army and the Lao people, comrade minister and the delegation have brought us fraternal spirit and intimate friendship. It is the spirit of those who are friends of the same ideology, who together fought on the same battlefield, together resisted [the collective enemies] and who decided to embrace each other while resolutely and confidently taking the path of socialism.

Our party and government leaders have assessed highly the success of you, Minister Bou Thang, and your delegation. We consider it an important contribution to the increased military solidarity between the peoples and the armies of Laos-Kampuchea, who have resolutely struggled for their independence, sovereignty and the prosperity of their nations, and who took part in maintaining peace and stability throughout Indochina and Southeast Asia.

The cadres, combatants in all units and the people in many localities that you, Comrade Minister Bou Thang, and your delegation have visited are most happy to have had a chance to welcome and to meet all of you who know how to use deeds and beautiful words to express your warm feelings, solidarity, and intimate love. All your actions and words have demonstrated that the PRK Army and the people that you have brought to us have become deeply engraved in the hearts of our cadres, combatants, and the Lao people.

Dear beloved comrades, we have discussed and exchanged [our views] on a truly friendly basis and have met absolute agreement in all matters of interests to both our sides. The glorious success of your present visit has increased the special military solidarity and all-around cooperation between the armies and the peoples of our two countries. It is also an important contribution for building up the military forces of each nation and also the whole military force of the three Indochinese countries.

Geographical conditions, the historical environment, the ancient cultural heritage, and the solidarity and revolutionary heritage have strengthened the ties between Laos and Kampuchea. The important event began during the period of the revolution of the democratic nations and has continued until now. Together we have traveled along a path full of fierce and confusing tests, and together we have obtained great and glorious victories for our countries. Now our positions are even firmer; our forces are even stronger; our love and solidarity is greater than ever. We will never yield to any clever and cruel tricks of the government of the Chinese expansionists who collaborate with the American imperialists and other powerful international reactionaries who are endlessly [trying to] destroy our revolution and who hope to separate our two countries in order to weaken and ruin us, and to swallow our two countries. This is the time more than any other that we have to raise our revolutionary awareness high, increase the solidarity between Laos-Kampuchea and Laos-Vietnam-Kampuchea, build up our own forces and the total forces of the three Indochinese nations, suppress enemies, and together construct our countries that have a stronghold in the outpost of socialism in this part of the world and to make them steadily prosperous.

The Lao Army and people will always be shoulder-to-shoulder with the army and people of Kampuchea. We will put all our energy into fulfilling our duty toward our nation and its international obligations. We will always struggle to defend and support international solidarity, the special military solidarity of Laos-Kampuchea-Vietnam, and solidarity and all-around cooperation with the USSR and other socialist countries to be always strong, vibrant, and beautiful.

Dear Minister Bou Thang and beloved comrades, it is close to the time for you to leave us and return to your country. However, the successful record of your visit will remain deep in the memory of the army and our people forever. Let us express our solidarity, love and affection and the deepest gratitude of our army and the Lao people toward the army and people of the PRK, and please give our warm regards to the PRK national defense, cadres, and combatants in the [PRK Army] who are bravely fighting night and day in order to protect their most beloved country and to participate in the important [role] of protecting the outpost of other socialist countries in this area, and also to defend the solidarity and special friendship among the three countries, Laos-Kampuchea-Vietnam.

Once again we would like to sincerely thank Comrade Minister Bou Thang and other delegation comrades. We wish you comrade minister, and your delegation good health, and that you are able to achieve your sacred duty for the heroes of solidarity and friendship in the land of the famous Angkor.

Mountains may fall down, rivers may dry up, but the love between Laos-Kampuchea will remain forever.

With this friendship we would like to invite you to a toast:

We wish that the people and the fraternal PRK Army score many great achievements in defending and constructing the nation based on the Fourth Congress of the PRK party.

We wish that the special military solidarity between the people and the armies of Laos-Kampuchea will remain stable and strong forever.

We wish that the special military solidarity among the people and the armies of Laos-Vietnam-Kampuchea remain stable and strong forever.

We wish that the solidarity among the socialist countries which have the USSR as their support remain stable and strong forever.

We wish the party and government leaders of Kampuchea and Laos good health.

We wish you, Minister Bou Thang, and your delegation good health a safe trip back to your country.

We wish comrades and all friends good health.

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CSO: 4206/58

COMMENTARY DISCUSSES MANAGUA CONFERENCE, BLASTS REAGAN

Vientiane SIANG PASASON in Lao 26 Jan 83 p 4

[Editorial Column: "Nonaligned Movement's Determined Effort To Resist U.S. Intervention Policy"]

[Text] On 10-15 January 1983 in Managua, the capital of Nicaragua, an extraordinary conference of the nonaligned nations was held in order to solve Latin American and Caribbean problems. There were 116 delegations from countries, liberation organizations and world organizations. The latest report of the conference emphasized the increased danger in Central America and in the Caribbean area due to U.S. intervention, they condemned the NATO plan to set up military relations that discriminate in terms of nationality and race also joined by some Latin American nations. The conference also emphasized the need to build up international economic relations on the basis of equality and asked to stop the economic deception and blockade of Cuba, Grenada, Nicaragua, Suriname, and Argentina.

The American imperialists and their henchmen have put all of their efforts into destroying and lessening the significance of the conference. When they failed they propagandized to distort the substance of the conference. However, the destructive tricks of the American imperialists were all disgracefully defeated.

The conference disclosed the U.S. mask of steadily increased intervention in the Latin American nations' internal affairs, and pointed out the conflicts which are dangerous for peace and stability in Latin America, the Caribbean, and in the world. Another important role of the conference was to emphasize the true stable principle of the nonaligned movement that resists colonialism, neocolonialism, imperialism, expansionism, apartheid, Zionism, racial discrimination, and all forms of pressure from foreign countries in order to fully respect each other's sovereignty and territorial integrity. Thus, the extraordinary conference of the nonaligned nations in Managua determinedly took part in strengthening unity in this area and in the world.

The session of the extraordinary conference of the nonaligned nations in Managua demonstrated the great power of the nonaligned movement which always fights strongly against the imperialism, and strives for peace,

independence, democracy, and social growth. It demonstrated the strength of the Nicaraguan revolution and the aid and support from the nonaligned nations who love world peace toward the Nicaraguan revolution.

Our people resolutely condemned the Reagan administration which is using all its tricks to create military conflicts in Central America, and which is manipulating evidence for direct military intervention in the nations in this area. They resolutely condemned the U.S. economic blockade against Cuba, and also the U.S.-British invasion of the Malvinas Islands, the resistance against Argentina. The people wholeheartedly praised the success of this important conference in Managua, and also expressed firm solidarity with the fraternal Nicaraguans who are targets of the American imperialists sabotage. Our people strongly believe that the success of this Managua conference will build a good foundation for the beautiful success of the seventh conference of nonaligned nations which will be held in New Delhi in the future.

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CSO: 4206/58

BRIEFS

IRRIGATION PROJECT COMPLETED--(KPL) The irrigation project in Meaung Long, Siang Kho District, Houa Phan Province, welcomed the signing of the agreement of socioeconomic cooperation between Houa Phan Province in the LPDR and Thanh Hoa in the SRV by being completed on 25 January with construction aid from experts and workers on both sides. This irrigation consists of a 58-meter dam to hold back the water and many canals for draining water into 180 hectares of ricefields. It is now open and under normal operation to serve the production of the people in this area. [Text] [Vientiane KHAOSAN PATHET LAO in Lao 27 Jan 83 p 8] 9884

PAKSONG COFFEE SALES--In 1982 cadres and workers of the Paksong District forest products purchasing company in Champassak Province, with branches in many localities, were able to purchase a total of over 675 tons of coffee beans, 237 kg of cardamon and much more. Moreover, this company also brought many different kinds of goods to sell and exchange with the people. There were 36 sewing machines, 6 bicycles, 600 sheets of zinc, over 1,000 pairs of canvas sneakers, 2,170 liters of kerosene, over 1,600 blankets and handkerchiefs, and a number of other things. [Excerpts] [Vientiane SIANG PASASON in Lao 27 Jan 83 p 1] 9884

HOUA PHAN TRADE--In 1982 cadres of state stores and many different local collective stores throughout Houa Phan determinedly carried out their specialized task with a spirit of high responsibility in order to press forward production and steadily to raise the standard of living of the people of all races. This resulted in an excess in each phase of the expected plan of trade with the people. They brought different kinds of goods for sale to serve the people all over. For example, there were 852,653 meters of cloth, 24,440 garments, 34,311 blankets, over 13 tons of cotton thread, over 755 tons of salt, 107,304 liters of kerosene, 452,104 notebooks, 20,374 tools used in production, and 82,166 household items for daily use. Meanwhile, they also traded many other production items and forest products from the people, e.g., almost 7 tons of benzoin, over 55 tons of lac sticks, over 18 tons of "mak on ling" [kind of fruit], almost 10 tons of [latex vine], over 30 tons of cotton flowers, over 27 tons of assorted animal bones, over 30 tons of vegetable stems containing oil, and over 8 tons of meat. Moreover, there are many other kinds of ricefield and forest products. These helped to balance the trade between the government and the people. [Text] [Vientiane SIANG PASASON in Lao 26 Jan 83 pp 1, 3] 9884

SRV DELEGATION TO HOUA PHAN—The SRV socioeconomic delegation of Son La led by Mr (Levan Ge), a provincial party member and vice chairman of the provincial people's committee of this province had a cordial visit in Houa Phan on 20-22 January on the invitation of the Houa Phan Province party committee and the provincial administrative committee. During the visit the delegations of both sides met and discussed their experiences and the summary of the 1981-82 cooperation, and also signed a mutual assistance agreement for 1983-85. This will increase the great and special military friendship and the all-around cooperation between the 2 provinces, and also aid the people of the two nations, Laos-Vietnam, in becoming more productive. [Text] [Vientiane SIANG PASASON in Lao 26 Jan 83 pp 1, 3] 9884

CSO: 4206/58

DEPUTY PRIME MINISTER COMMENTS ON COMMUNIST INSURGENTS

Singapore THE STRAITS TIMES in English 8 Apr 83 p 19]

[Text]

KUALA LUMPUR, Thurs. — Communist terrorists are now moving south and using Islam to gain the support of the people, Deputy Prime Minister Datuk Musa Hitam said today.

They are also infiltrating Orang Asli settlements to force the people there to help them.

This strategy and other secrets were learnt from documents seized in recent action against the terrorists in Jelebu near the Pahang/Negri Sembilan border and in Perak.

Datuk Musa, who is also the Home Affairs Minister, said the latest discoveries confirmed the government's suspicion that the Communist Party of Malaya's Sixth Assault Unit is trying to expand its influence southwards.

All Orang Asli settlements are being closely watched by security forces and it was during one of these surveillance operations that security forces encountered the terrorists.

Opportunities

Among the terrorists killed in recent action was a member of a group led by a man called Rahim.

Rahim also goes by the names Hing Ho, Ah Yong and Kim Ho, he said. The name Rahim is used to influence and deceive the Muslims.

Datuk Musa urged the people to remain united especially during the current economic recession as the communists are always on the lookout for opportunities to create unrest. — NST.

CSO: 4200/538

FIVE PERCENT ECONOMIC GROWTH FORECAST

Singapore THE STRAITS TIMES in English 2 Apr 83 p 15

[Text]

KUALA LUMPUR, Fri.

— Malaysia's central bank, Bank Negara, in its annual report has predicted the economy will grow by at least 5 per cent in the fiscal year that begins today, compared to 4.6 per cent growth in 1982.

But the report, released yesterday, added that faster than expected recovery in the United States and Europe could boost growth to 6 per cent.

It said the forecast was uncertain because of "wild cards" in the global economic situation, including interest rates and short-term oil prices.

Bank Negara said US economic recovery could be faster than earlier forecast, and the 3 per cent growth projected for Japan could increase by up to 1 per cent with significant easing of world oil prices.

Demand

The improved situation in the industrialised nations would bring increased demand for Malaysian manufactured goods and primary commodities, the bank said.

The decline in the major industrial economies, restrictive monetary policies and high interest rates were responsible for the decline

in price and demand for nearly all of Malaysia's products.

Hardest hit were tin, palm oil and rubber, the report said.

Rubber income dropped 28.5 per cent from 1981 to \$2.65 billion because of falling demand.

Tin earnings declined 30.6 per cent from the year before to \$1.48 billion because of export controls and a fall in prices.

The bank reported that palm oil income, at \$3.1 billion, was 0.4 per cent lower than in 1981 despite an increase in export volume. Prices had fallen because of competition from other types of oil, it said.

But earnings from timber exports rose. These increased 27.3 per cent over the previous year to \$4.57 billion because of higher prices and export volume.

Weakness

The report said the global recession had served to dampen "the undue euphoria of the 1970s" based on the expectation that commodity prices would rise indefinitely.

The slowdown had also highlighted structural weakness in the Malaysian economy, especially its continued dependence on the "vagaries of the international business cycle" to sustain growth.

INDEPENDENTS MAY FORM GOVERNMENT-IN-EXILE

Auckland THE NEW ZEALAND HERALD in English 26 Mar 83 p 5

[Text] Herald Corres Noumea—The New Caledonian Independence Front rejects the French Government's plans for the territory and says it is now prepared to set up a government in exile.

Political observers believe the most likely choice of country would be Vanuatu. The Government of Father Walter Lini at Vila is the front's strongest supporter.

Earlier this year the front arranged English language courses in Vanuatu for 25 Melanesian students from New Caledonia.

A statement issued by the front in Noumea yesterday throws doubt over whether the territory's Government, headed by the front leader, Mr Jean Marie Tjibaou, will enter into discussions on the future of New Caledonia next month.

This week the French Government released a discussion document outlining proposals for development.

The front has long claimed it will not enter negotiations unless they include a plan for independence. The talks are due to begin on April 3.

The French Minister for Overseas Territories, Mr Henry Emmanuelli, was due to take part. But uncertainty over the new French cabinet and now the front's own stance have created uncertainty over whether the negotiations will go ahead.

The five main political parties which make up the front took about 30 per cent of the vote in the last territorial elections in New Caledonia in 1981.

The front is now in a coalition Government with a centrist party, the Federation for a New Caledonian Society.

The federation has also expressed concern at the French plans, believing they do not go far enough towards the granting of independence.

The Opposition, mostly the European-supported Rassemblement pour la Caledonie dans la Republique party, has remained silent about the proposals.

The front wants independence by September next year. The French proposals involve three stages. The first in April to establish a new statute for the territory (all New Caledonian political factions would be involved in those talks); preparing test for a statute by about June; its implementation in July or August.

CSO: 4200/535

MUSLIM GUERRILLAS USE MALAYSIAN JUNGLE BASES

Bangkok THE NATION REVIEW in English 27 Mar 83 p 2

[Text]

HAT YAI - About 3,000 Muslim terrorists are using a Malaysian jungle opposite the Thai southern province of Narathiwat as springboard for their subversive activities inside Thai territory. Commander of the Fourth Army Region Lt Gen Harn Leenanond said yesterday.

He said the terrorists, mostly belonging to the notorious PULO movement, also receive armed training in the Malaysian town of Kota Bharu.

The terrorists also use the Malaysian town as a refuge after staging their operations inside Thailand.

"NO POWER"

When asked whether Thai authorities are in a position to deal with the situation, he said: "I have no power to do it. I have reported the situation to my superiors."

Lt Gen Harn also called on Malaysia to cooperate with Thailand in suppressing the Muslim terrorists who have been terrorizing local Thai populace in the five southernmost provinces.

"The Malaysians cannot make any more excuses about the existence of the communist insurgents on our border," he said, re-

ferring to the guerrillas of the Communist Party of Malaya (CPM) who have sanctuaries inside Thailand.

"We have been battling the communist insurgents. Now is time for Malaysia to help us suppress the Muslim terrorists," he said.

Lt Gen Harn, who was here to attend a ceremony to open the newly-built Hat Yai Hospital, also reported successes in a current military drive against strongholds of the CPM guerrillas in Yala.

"TAI ROMYEN 15"

He said the operation, codenamed "Tai

Romyen 15," was primarily aimed at the so-called Regiment 12 of the CPM in Yaha District of Yala.

Meanwhile, the Fifth Army Division on Friday launched a new offensive against two strongholds of the CPM in Betong District.

About 11 rangers were injured by boobytraps laid by the CPM guerrillas. Their targets are areas of the so-called Zone 1 and Zone 3 of the guerrillas. Three OV-10 planes yesterday dropped bombs over the two areas for two hours to pave the way for ground attacks.

CSO: 4200/511

MALAYSIA WANTS TO BUY MORE RICE

Bangkok BANGKOK TIMES in English 24 Mar 83 p 19

[Text]

MALAYSIA has expressed interest in buying 50,000-100,000 tons of rice to be delivered in the next four months, Director-General Danai Tulalamba of the Foreign Trade Department said yesterday.

Thailand has already sold and delivered 35,000 tons of rice on government-to-government basis to Malaysia earlier this year.

Mr Danai said his department has invited Malaysian officials for negotiations and is waiting for them to confirm the date.

On reports that Indonesia will have to import about two million tons of rice this year, Mr Danai commented that he has not received any inquiries from Indonesia since the purchase of 100,000 tons at the beginning of this year.

Indonesia is probably busy organising its new government, and might

contact us soon. We do not know how serious the shortage is but we are willing to supply as much as we can," he said.

Mr Danai also said his department will not consider allocating quotas to tapioca exporters to the EEC for the third quarter as it is against the Commerce Ministry's policy of free trade.

Tapioca exporters have been given until the end of this month to propose an export system for the department's consideration.

Mr Danai said he has informed the exporters that there should be free competition within the export limit to the EEC.

The department will announce the date, expected to be in May, when it will start issuing export licences allowing tapioca loading for the third quarter after the export system has been decided.

CSO: 4200/511

MONEY, FINANCE SITUATION EXAMINED

Bangkok BUSINESS IN THAILAND in English Mar 83 pp 30-40

- [Text]
- Continuation of the easing monetary trends both at home and abroad
 - Shift in the US Federal Reserve Policy
 - Period of weakening US dollar not very far off
 - External indebtedness of less-developed countries at a critical level
 - Domestic banking system under harsh criticism
 - Divestiture of shares of the financial institution undertaken but still short of target
 - Increasing degree of competitiveness in the banking system
 - Decreasing dependence on external funding sources
 - Non-bank financial institutions plagued by problems
 - Change of regulations on hire-purchase
 - Extension of concessional credit to the Public Warehouse Organisation
 - Extension of the Krung Thai Fund
 - More financial assistance to exporters
 - Adjustment of withholding tax regulation on interest charged on foreign loans
 - Expansion of the Thai banking network overseas
 - Outlook of lower domestic interest rates and stable baht

Easing monetary trends, which continued last year, led both government policy makers and the country's financial institutions into moves benefitting borrowers.

The easing monetary trends continued in full force in the second half of 1982. Domestically fund flows have been activated from the beginning of the year through various rediscount arrangements and the lowering of the repurchase rates. The condition of excess liquidity was so prevalent that even concessional credits were initially underutilised. The simple indicator of this

phenomenon, the ratio between total advances and total deposits of commercial banks, clearly bears out the rapidly easing monetary trends (table 1) which had already emerged by the end of 1981 but became more and more pronounced as the year 1982 unfolded. Outstanding deposits at commercial banks showed an above-average growth of around 24% per annum while total advances by banks sustained a below-average increase of about 14%. It is rather striking that as we move towards the end of the year the annual rates of increase of both deposits and advances, calculated on the basis of a twelve-month change, show a tendency to be even higher.

There was a significant decline in the inflation rate to 5%. As for deposits, this points to the disarming attractiveness of the real deposit rate which is close to seven per cent. While the expanding bank loans should indicate that as the reduction of lending rates in September produced some impact, we witnessed business activities starting to pick up somewhat towards the end of the year.

This domestic easing of monetary condition was partly supported by similar circumstances in the United States and other major industrial countries. The move was initiated by the Federal Reserve which successively lowered its discount rate by half-a-percentage-point each time from the level of 12% in June to 8.5% in December. The US discount rate narrowed there remain certain edges in favour of the US currency. Apart from these economic factors, there have been the political uncertainties in some countries, such as Japan and West Germany, that resulted in their currencies being attacked in the foreign exchange market. The yen suffered most heavily in this respect. Only when the political turmoils subsided, did the yen start to ascend back to a more appropriate level. Unlike 1981, 1982 did not witness an unbreakable hold of the dollar on the world's major currencies. Although the US dollar did make some gains against other currencies, towards the end of the year there were signs that the period of a weakening dollar might not be very far off.

Another continuing trend noticeable in 1982 was the increasing external indebtedness of the less-developed countries, especially the fast-growing ones. What was alarming was the excessive level of the outstanding external debts of many of these countries. Several loan defaults and reschedulings were threatening, particularly in the cases of the Latin American countries. Of all countries, oil-rich Mexico, formerly the favourite with countries of the lending banks, failed to honour its debt obligations and had to seek rescheduling of its US\$ 81 billion debt outstanding. Large Asian borrowers are Korea, the Philippines and Indonesia with outstanding debts of around

TABLE 1: Commercial banks total advances and deposits (1978-1982)

(mln. baht.)

| End of | Advances (1) | Deposits (2) | (1)/(2) (%) |
|----------------|-----------------|-----------------|----------------|
| 1978 | 158,600 | 156,252 | 101.50 |
| 1979 | 195,072 | 172,951 | 112.79 |
| 1980 | 218,931 | 214,122 | 102.25 |
| 1981 | 254,449 | 256,675 | 99.13 |
| 1982 (October) | 283,665 | 298,969 | 94.88 |

Source: Bank of Thailand

Notes: 1) Advances do not include interbank loans

2) Figures for 1982 are preliminary

US\$ 34 billion, 16 billion, and 14 billion respectively. Thailand's external debt position compares very favourably in this context, amounting to approximately US\$ 8 billion.

Major domestic issues

While monetary conditions did not present any difficult problems, some initial steps at financial restructuring were undertaken in 1982. It should be noted here that the restructuring measures have been introduced before harsh criticisms on the banking system were leveled in the third quarter of the year. A key army officer described commercial banks' activities as irresponsible and harmful to the national development process. Although it should be admitted that banks' role in development could still be further enhanced, it is too simplistic to state that commercial banking activities in Thailand have been anti-development. With more than 1,600 branches throughout the country, the country's banking system has a provincial network unequalled among developing countries. With the number of official requirements to capture funds in the provincial areas, banks cannot but be involved in the rural economy. The effort to ensure strict adherence by banks to the regulations is stepped up through the close supervisory functions of the three re-

gional branches of the Bank of Thailand which can be more appropriately called the regional central banks.

Apart from expanding commercial banks' role in the development process, the following restructuring measures are equally significant in touching at the foundation of the financial system:

1. **Shareholding divestiture requirement:** Included in the revised Commercial Banking Act of 1979 is a divestiture requirement that specifies a first-step mandatory divestiture of a minimum number of 100 small shareholders (each with less than 0.5% of the shares) owning all together at least 20% of total bank shares in 1980, and a target of 250 small shareholders owning 50% of the shares by March 1982. As for finance companies under the Finance, Securities and Credit Foncier Business Act of 1979, they are required to comply with a three-stage shareholding divestiture programme. By May 1982 there must be at least 50 small shareholders (each with less than 0.6% of the shares) together owning no less than 25% of finance companies' shares. The number of small shareholders is required to be raised to 75 owning 40% by 1984 and 100 owning 50% by 1986. All 16 local commercial banks did not have any trouble in meeting the first-step divestiture requirements in 1980 but most banks could not fulfil the second-stage target in 1981 and had been granted deferment. In November 1982 the divestiture requirement had to be relaxed for finance companies as well. It was deemed that due to the adverse capital market circumstances and other difficulties facing finance companies, the deadline for compliance with the ruling should be shifted to December 1983, an extension of 17 months from the

TABLE 2: US dollar exchange rates with selected currencies

| Percentage change Currency | Jan '80— Dec '80 | Jan '81— Dec '80 | Jan '82— Dec '82 |
|-------------------------------|---------------------|---------------------|---------------------|
| Deutsche Mark | - 14 | - 12 | - 7 |
| Japanese Yen | + 17 | - 8 | - 8 |
| Pound Sterling | + 6 | - 20 | - 18 |
| French Franc | - 11 | - 20 | - 17 |
| Swiss Franc | - 12 | 0 | - 11 |

Notes: 1) Minus sign implies a depreciation against US dollar

2) Figures for 1982 are until December 23, 1982

previous deadline. Another factor that hindered the diversification of share ownership was the large number of shares held by the Krung Thai Fund and the Capital Market Development Fund which were officially set up to support the securities prices.

Both deferments of the divestiture requirement for commercial banks and finance companies should not however be interpreted that the authorities have become complacent in enforcing the ruling. On the contrary, these financial institutions have been strongly urged to put in their best effort to meet the requirement. Up till now the results have been more or less positive. The proportion of small shareholders in commercial banks' shares has increased from 30% as of March 1981 to 36% as of

TABLE: 3 Domestic and overseas interest rates (July-December 1982)

(Percent)

| | Domestic rates | | | | Overseas rates | | |
|--------------------|------------------------------|------------|---------------|---------------------------|----------------|---------------|-----------------------------|
| | Gov't ⁽¹⁾ bond | Interbank | Prime | Repurchase ⁽²⁾ | US Discount | US Prime | US ⁽³⁾ dollar |
| July | 13.75 | 16.0-17.5 | 17.5 | 14.0-17.25 | 11.5-12.0 | 15.5- 16.5 | 11.875- 15.5625 |
| August | 13.0- 13.75 | 14.5-16.0 | 17.0- 17.5 | 11.25-14.0 | 11.0-11.0 | 13.5- 15.5 | 9.75- 12.0 |
| September | 13.0 | 13.5-14.5 | 17.0 | 10.0-12.5 | 10.0 | 13.0- 13.5 | 10.9375- 11.5625 |
| October | 13.0 | 13.5 | 17.0 | 9.5-12.0 | 9.5-10.0 | 11.5- 13.5 | 9.5625- 11.5 |
| November | 12.5- 13.0 | 12.75-13.5 | 16.0- 17.0 | 9.0-10.5 | 9.0-9.5 | 11.5- 12.0 | 9.0625- 10.0625 |
| December (1-20) | 12.5 | 12.25-13.0 | 16.0 | 9.25 | 8.5-9.0 | 11.5 | 9.1875- 9.625 |

Notes: Rates are given in ranges

(1) Medium-term government bond with 5-year maturity

(2) Three-day maturity

(3) One-month LIBOR

November 1982 while the proportion of large shareholders contracted from 21 to 14% during a similar period. The apparent lack of attempts to fulfil the requirement which still remains is considered a discredit of the financial institution concerned in the eye of the authorities. When financial difficulties subside, the deferment of divestiture will have to be viewed on an individual case basis. Only those institutions that can prove that they have already tried but are unsuccessful due to proper reasons will be considered for special leniency.

2. Increasing degree of competitiveness: During the second half of the year 1982 the Bank of Thailand made several attempts to bring down domestic interest rates without resorting to a new setting of ceiling interest rates as done in the past. Several rounds of reduction of the Central Bank's basic loan rates were affected to signal interest rate direction to the money market. Repurchase rates of government securities dropped from the height of 17.25% in July to around 9% in November. (see table 3) To facilitate banks'

adjustment of deposit rates and to reduce the government's interest burden, interest rates on medium-term government bonds were successively lowered from 13.75 to 12.5% in November. Government bonds had been selling exceptionally well in 1982 as their real yields were quite attractive. Both financial institutions and the public bought more than in the 1982 fiscal year.

For a change government securities have become highly competitive with bank deposits as a means of investment, a practical implementation of the financial market liberalization concept. These bonds have become highly attractive, so much so that bankers became apprehensive of their potential in drawing funds away from commercial banks. Commercial banks have therefore been rather reluctant to bring down their deposit rates for fear of the loss of deposit funds. Yet, some of them brought down the one-year deposit rate from 13 to 12.5% as they had difficulties in coping with surplus funds. The initiative to lower deposit rates belonged to the larger banks with substantial funding sources but their action was not followed by other, small-

ler banks.

On the lending side the prime rates were more flexibly adjusted downwards while the loan rates for general borrowers were brought to the level of 18% which is below the ceiling rate of 19%. By not adjusting the official deposit rate and lending rate ceilings, the Bank of Thailand departed from the traditional policy of fixing ceiling rates at every turn of the event. This departure results in various rates being applied by commercial banks according to their own needs. Larger banks are likely to be in the position to reduce their deposit rates without much trouble while smaller banks and branches of foreign banks may offer higher rates to step up their fund mobilization. On the lending side, larger banks and branches of foreign banks would have the tendency to adjust the prime rates while smaller banks may be more interested to bring down the maximum lending rates. These price differentiations bring more choices to the public and lead to the contraction of interest spreads. However, commercial banks may have to learn to cope with this new environment which may be called a limited floating regime.

3. Decreasing dependence on external sources: For three consecutive years, local commercial banks have reduced their foreign liabilities position by all together a substantial amount of around US\$ 700 million (Table 4). This turnaround signifies at least two things: a) domestic funding sources have become more reliable and b) the country's international reserves have become more stable and less reliant on short-term funds from abroad. Besides the banking sector, the non-bank private sector has been tapping foreign sources of funds at a decelerated pace as well.

In fact during the first half of the year, there was net outflow of funds through this sector of US\$ 262.35 million. Only during the second half of the year did the pace hot up a bit. But on the whole the accumulation of external debt through the private sector was miniscule compared with the last three years.

Similar conclusions can be drawn for the public sector's external borrowings which dropped by around 40% from the previous year. The domestic mobilization of funds has been reasonably successful to provide both the private and the public sectors with adequate funds for the time being. As for the public sector the tight control on state enterprises' overseas borrowings has been responsible for the slow-down in their foreign borrowing activities. It should nevertheless be noted here that next year's net inflow of funds through both their sectors is likely to exceed the 1982-volume. This should not be interpreted

TABLE 4: Net annual flows of foreign funds through commercial banks and non-bank private sector

(mln. US\$)

| | Commercial banks ⁽¹⁾ | Non-bank private sector ⁽²⁾ |
|---------------------|---------------------------------|--|
| 1979 | + 423 | + 465 |
| 1980 | - 445 | + 906 |
| 1981 | - 36 | + 1,160 |
| 1982 ⁽³⁾ | - 230 | + 200 |

Notes: (1) Changes in banks' total foreign liabilities
(2) Includes direct and portfolio investments, other loans, and supplier's credit
(3) Estimated figures

ted as a reversal of the trend but merely a response to growing investment activities and prolonged state of low interest rates.

4. Problems of non-bank financial institutions: A number of credit fonciers were in difficulty in 1982 and had to be rescued by a group of financial institutions. These are firms which suffered from misguided management resulting in non-productive assets, a liquidity shortage and outright frauds. For example, there are credit fonciers that accept call deposit although legally they are required to issue only promissory notes of at least three-years maturity. Some firms offer deposit rates above the legal ceiling of 16% which makes their business very shaky considering the low and declining lending rates. Although the Deposit Insurance Act is now being reconsidered by the Central Bank, this Act by itself should not be considered as a panacea that will solve all mismanagement and other problems. The Central Bank has recently been emphasizing the campaign to inform the public about investing their funds. Of utmost importance is the avoidance of illegal finance companies that mushroomed in 1982, particularly in the provincial areas in the form of "rotating credit" or "pia huey" companies. The Bank of Thailand, with the cooperation of the Revenue and the Police Departments, has made several checks of these illegal firms and brought many to court.

It remains more difficult for the public to differentiate the quality of licensed institutions. But at least the public should be warned against the craving for excessive interest rates which may sometimes be offered illegally above the official ceilings. To give additional protection to the public, 1983 will see a voluntary introduction of standard promissory notes. The standard note will be printed

on high-quality security paper which will make forgeries difficult. It is to be expected that if the trial introduction early in 1983 proves to be successful, the Central Bank may require every finance and securities company to issue only standard promissory notes within the year.

Other short-run measures

Apart from the attempt at structural adjustments, a number of monetary measures were introduced to cope with the cyclical demand of the economy:

1. To stimulate business activities the Bank of Thailand in October decided to relax its regulations on hire purchases of motor-vehicles. Finance companies are now allowed to provide unlimited financing for the hire purchase of vans and pickup trucks. As for the financing of hire purchase of passenger cars finance companies are permitted to lend up to five percent of their capital fund. The relaxation of these regulations is beneficial to the public in that the hire purchase rate at large finance companies was subsequently reduced from a 14% flat rate to a 12.5% flat rate. Besides this relaxation has also boosted the businesses of automobile assembles and dealers which have been in the doldrums for quite some time.

2. The Bank of Thailand and 16 local commercial banks have agreed to renew their 6,000 million baht loan to the Public Warehouse Organisation for its 1982-83 rice buying activities which follow the Government's paddy price support policy. This credit line, the interest rate of which will move with the prime rate, is normally used as a revolving fund. The Central Bank will discount 25% of the loan at the discount rate of 5% which is to be blended with the remaining 75% to be

financed by the commercial banks themselves at prime rate. As a result the effective rate should be around 13% per annum considering the prime rate of 10% at the end of the year. This is the third year that this revolving credit has been extended to the PWO through the cooperation between the Central Bank and the commercial banks. The PWO received a credit line of 5,000 million baht for the 1980-81 season which was raised to 6,000 million in the 1981-82 season.

3. The expansion of a concessional packing credit facility for exporters available through the Central Bank was implemented in September to promote the local merchant marine. Exporters who use Thai vessels to transport their commodities will obtain 10 percentage points more of export rediscount facility. These exporters may rediscount with the Bank of Thailand up to 100% of the value of the promissory notes, 90% on letters of credit, 80% on purchase contracts or orders, and 50% on warehouse receipts, based on the value of the export products.

4. In order to provide a larger volume of concessional credits to exporters in terms of baht, the Central Bank revised the exchange rate applied in the rediscount of export bills from 20 baht per 1 US\$ to 22 baht. This exchange rate

is used as a mere measurement of the volume of export credit to be allocated through commercial banks to the exporters and was therefore not adjusted after the baht devaluation against the US dollar in 1981.

5. The Krung Thai Fund which terminated in November was extended for another year. This Fund was established in 1979 with the credit line of 3,000 million baht with 6% interest rate to be made available to the Krung Thai Bank for 3 years to be used in purchasing securities with repurchase agreement. The measure was implemented to inject liquidity into the finance companies system and to shore up the public confidence in the securities market. Since the securities market has not completely come out of the doldrums, it was decided that the Krung Thai Fund should be extended for another year to give more chance to the public to repurchase the securities and to provide support to the stock market.

6. The withholding tax exemption on interest charged on foreign loans came to an end in December. The Finance Ministry decided not to extend the tax holiday for short-term loans with a maturity of one year or less. This is in line with the external debt policy of the country which emphasizes the manageability

TABLE 5: Quarterly flows of funds from abroad through non-bank private sector and public sector (1982)

(mln. US\$)

| Net flow | Q1 | Q2 | Q3 | Oct.-Nov. | Total |
|----------------|----------|---------|----------|-----------|----------|
| Private sector | - 321.40 | + 59.05 | + 247.43 | + 111.87 | + 96.95 |
| Public sector | + 77.54 | + 37.46 | + 89.96 | + 49.61 | + 254.57 |

lity and healthy structure of external debts. In this connection, long-term borrowings are to be preferred. According to the new ruling therefore, only long-term loans which have a maturity of longer than one year will be exempted from the 10% withholding tax. There is however two additional requirements that a) the foreign fund has to be brought into the country between January-June 1983, and b) the loan must be registered at the Bank of Thailand.

7. Thai banks have been steadily expanding their overseas operations. In 1982 three new overseas bank offices were set up comprising of two full branches and one representative office. All together there are now 34 bank offices overseas of which 19 are full branches, 6 agencies and 9 representative offices. Apparently local banks have caught on the fashion of going into international banking. For banks with qualified staff and professional management overseas operations can be an important source of income. However, caution and close supervision may be required since international finance can be a highly risky business considering the present volatility of exchange and interest rates.

Outlook for 1983

Compared with 1982, 1983 will see a monetary condition with more pressure on liquidity as demand for loanable funds is bound to grow at a higher rate. However, we are not going to experience a liquidity squeeze with the severity of 1981. This is because a) there is still substantial liquidity surplus in the market, b) interest rates are to remain rather stable and on the low side in 1983 when compared to the averages of the past two years, and c) savings mobilization

will proceed favourably owing to the considerable real deposit rates. Domestic interest rates are also bound to drop, but perhaps somewhat reluctantly. Due to a large government budget deficit which must be financed domestically, interest rates on government bonds cannot be easily moved down if the monetization of the fiscal deficit is going to be avoided. With high government bond rates, commercial banks may not feel it easy to reduce their own deposit rates for fear of funds flowing away from their institutions and straight into the public coffer, considering the existing edge of government securities in the tax exemption allowance for individual holders. Without this deposit rate flexibility, commercial banks may be reluctant to trim their lending rates.

The baht value in terms of the US dollar was stable throughout 1982. At a certain period of time it has appreciated somewhat, quite insignificantly, against other currencies. Comparing the baht value in December 1982 with its value right after the devaluation in July 1981, the baht has appreciated only 3.0% against the Japanese yen but has depreciated by 2.0% against Deutsche Mark, 0.8% against Malaysian Ringit, 1.9% against Singapore dollar. There is every likelihood of a slide in the dollar value in 1983, particularly against strong currencies such as the yen and DM but probably not vis-a-vis the pound sterling. Measured across an appropriate span of time, such as one year, the exchange rates of the baht with major currencies appear to be more stable than anticipated by the market. From the angle of this basket of currencies there should at present be no pressure to adjust the baht's external value downwards, even though there might be some slight indication from the growing trade deficit in 1983. ●

STATE OF PRICES, INCOMES, LABOR

Bangkok BUSINESS IN THAILAND in English Mar 83 pp 41-53

[Text]

- Inflation rate in 1982 is around 5%, one of the lowest in the last 10 years
 - Economic slowdown in the world and its impact on Thai economy, the real culprit of slow inflation rate
 - Some positive impact of inflation, low domestic interest, real income up, may stimulate investment in 1983
 - Government tried but failed to take advantage of the low inflation rate by raising bus fare
 - Unemployment is very serious, especially educated unemployment.
- Public awareness is on the rise
 - Some short run policies to solve unemployment.
 - One stop service for labour export was approved — the effectiveness remains to be seen.
 - Minimum wage increase small but was aimed at pacifying labour unions
 - Labour unions lost substantial bargaining position because of the slowdown in the economy
 - Call for new strategy for labour unions
 - Hope that employment will be the main theme for sixth plan

Introduction

In our first attempt to write the economic report for BIT in 1981, our main concern was for inflation with its serious consequence that working class wages and salaries were unable to maintain pace with the rise in prices. In the first two reports in 1981, this section placed great emphasis on the reasons for the high rate of inflation. However, after less than two years, the situation and events have changed so drastically and rapidly that today, not much can be written about inflation.

From the beginning of 1981, a more marked recession than any expected has kept prices down, especially in the first half of 1982.

Only at the end of last year was a slight increase in prices detected, but this was so insignificant that inflation is no longer big economic news.

However, the important message in this mid-year report is not the reason for the low rate of inflation, but rather whether the government can use the low level of price expectations to adjust or correct price distortion in the economy.

Once again we cry for courageous government action. We do not wish to claim that our writing has any influence on the theme, but during November of 1982 the cabinet agreed to raise bus fares from 1.50 to 2 baht. It is clear that after some protest the raise was rolled back. May we say that the government

was courageous, but the sad part of it is that this was not nearly enough. We would like to congratulate Minister Veera for his courageous action despite a seemingly unpopular decision. The Thai people still maintain an old belief that a good society is one in which the government provides good quality services at a low price. The principle of economics that there is no free lunch is not yet being explained and understood clearly.

However, despite the no-news of inflation, other matters warrant reporting. During the last 'State of the Nation' seminar organized at the Foreign Correspondents Club of Thailand, one very important question was raised: "What are the positive factors derived from a deep recession?" One of the speakers then replied. "It has brought out clearly the problems of unemployment as a serious political issue for Thailand." Without this very deep recession, we would have been misled believing we would never have to worry about unemployment and other related problems of human resource development. But unemployment problems are real and serious and, to some extent, this awareness is timely. It is a relatively needy problem which we must understand.

Inflation in 1982

At the beginning of 1982, Thailand's top economists were very optimistic expecting inflation to be around 10% that year. Dr Snoh Unakul, the secretary-general of the National, Economic and Social Development Board also predicted that inflation would be at that level. However, as the dust settled on the close of 1982, the inflation rate of only 5% was better than expected and, as one of the lowest for the decade, was much lower than the decaded rate of 9.8% (Table 1).

Comparing inflation in the year's first half with the second half (Chart 1), the difference is significant. In the second half, prices started to rise a little higher in comparison to the first half, the main reason being food

TABLE 1 Rate of growth of Consumer Price Index (last twelve years)

(Base 1976 = 100)

| Year | All Items (CPI index) | % of CPI increase |
|-------------------|--------------------------|----------------------|
| Before 1970 | | 2 |
| 1970 | 60.2 | - |
| 1971 | 60.5 | 0.50 |
| 1972 | 63.5 | 4.95 |
| 1973 | 73.3 | 15.43 |
| 1974 | 91.1 | 24.28 |
| 1975 | 96.0 | 5.38 |
| 1976 | 100.0 | 4.17 |
| 1977 | 107.6 | 7.60 |
| 1978 | 116.1 | 7.89 |
| 1979 | 127.6 | 9.90 |
| 1980 | 152.7 | 19.67 |
| 1981 | - | 12.4 |
| 1982 | - | 5.0 |
| 1983 (estimated) | - | 8.0 |
| Average 1970-1982 | - | 10.19 |

Source: Department of Business Economics,
Ministry of Commerce

price increases from August to November. In general however, inflation was non-news.

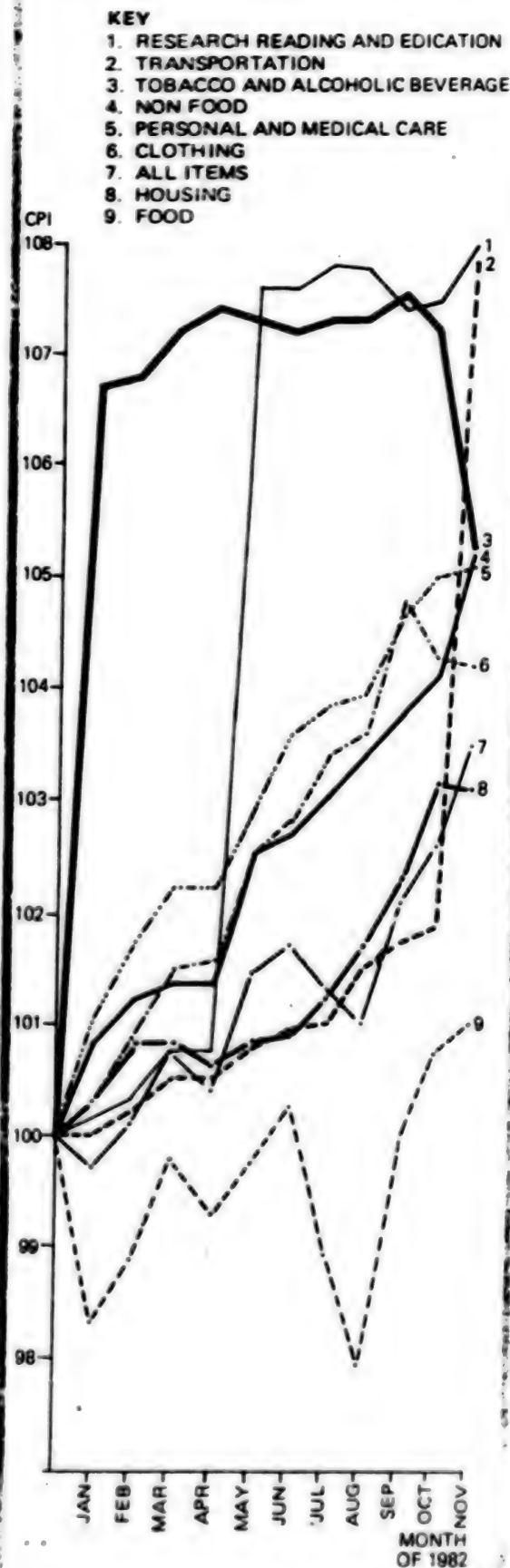
Reasons for slow inflation during 1982

In trying to explain why Thailand's inflation slowed last year, prudence is necessary as many interacting factors contributed. These are listed as follows:

- 1) The slowdown of the world's economy as a whole had both a direct and indirect impact on prices in Thailand.
- 2) The world-wide inflation trend is on the decline, leading to slow rises in prices of imported goods.

- 3) Despite at least three rumours of a possible baht devaluation in 1982, none took place and price inflation remained unaffected.
- 4) The domestic economy's slowdown (clearly seen in the dropping of our growth rate to 4.7%) only led to a reduction in the purchasing power of the majority of Thai consumers, especially the farmers. Their demand for goods and services did not rise as much as previously.
- 5) Trade union pressure to raise the minimum wage was rather weak leading, in October, to the lowest minimum wage increase granted in the last eight years. At the same time, the private sector's yearly wages and salaries adjustment was around 5%. While its real impact is yet to be felt, wage increases certainly didn't add fire to 1982's inflation.
- 6) The real culprit fuelling inflation over the last 2-3 years has been the energy price, but its pressure is weakening. In 1982, there was strong pressure for energy prices to decline. The CPI for the transport sector indicated clearly that the steady energy price led to tolerable price increases in this sector and in the CPI for the country as a whole.
- 7) The stabilizing of costs for raw materials, wages and energy resulted in the steadying of production costs for goods and services, borne out by the manufacturing sector's wholesale price index.
- 8) Continuing expectations during 1982 of a drop in inflation tended to prevent prices from rising further.
- 9) Despite our suggestion for the government to adjust its utility prices, this did not happen. On the contrary, electricity prices will go down in 1983.

CHART I CONSUMER'S PRICE INDEX 1982



Fears realized

In our mid-year report, our important message to the government then in taking advantage of the slow inflation rate was that it should be decisive and courageous, taking action over the distortion in public utility prices. The government heard and responded, but in the case of the bus fare, failed. Our fear is that 1982-1983 may be the period where political reasoning outweighs economic reasoning. While this is nothing new to us, we sincerely hope the government tries to use the situation in such a way that economic justification has a role to play.

The real problem is timing. The situation with the bus-fare debacle is a matter of postponing the problem, a classic case of a management crisis and very typical Thai politics since the situation can change 180 degrees without anyone losing face! Let us repeat that slow inflation brought us many undesirable consequences.

Implications of 1982's slow inflation

There are many implications of inflation for the economy, some positive and others negative. On the positive side, the small rise in inflation, coupled with a rise in money income faster than the inflation rate, usually means that the real income of consumers will go up. This in turn will stimulate demand for goods and services, a fact supported by a Bank of Thailand report that sales among Department Stores rose by 11% in 1982. This rise in consumer spending may not be a key to our economy's revival, but it is cheering good news considering the alternatives.

However, output in the agricultural sector 1981-1982 rose very fast and because of a decline in world prices, our farmers' real income (despite the low inflation rate) may not improve. We can expect that if inflation remains steady, the real income of our farmers in 1983 will rise, which will, in turn, pull the rest of our economy up. It is hoped therefore

that 1983's levels of inflation will remain as low as 1982's.

Another positive factor is that speculation in real assets such as land or to some extent gold, is less. Coupled with the fact that the real interest rate is very high, there has been a significant increase in savings, leading to a rise of up to 20% in bank deposits. The money situation, as we saw last month, is very liquid. If interest rates decline further, investment will be stimulated and the economy can be revived.

With low inflation leading to only a 5% increase in the minimum wages (considered small compared to the previous year), it would not contribute significantly to the existing problem of unemployment. However, slow inflation has led to a slow growth rate which has aggravated the problem of unemployment. The economy's slowdown has begun a serious chain reaction resulting in other economic problems — notably the shortfall in government revenue (which will be discussed in detail in another section).

Inflation in 1983

As the Thai economy begins its revival — at best a gradual process — so the pressure on prices will intensify. Growth will be slightly higher than last year — around 6% per year. While prices of agricultural prices will rise slowly, those for energy should remain steady. Inflation in 1983 will be around 8% which is considered low. As has been stated, a low inflation rate is associated with slow economic revival with unemployment among the serious negative implications. Again we stress that the government should take decisive action but we realise that with the political constraints facing the country in 1983, we are not hopeful.

Wages, incomes and labour

In 1982, despite the disagreement on the exact unemployment figure (ranging from a low 300,000 to a high 3 million unem-

ployed), there was a general consensus that Thailand no longer had to identify the problem, but now had to try to understand it and find a solution before the situation gets out of hand.

The unemployment rate

It is well-known that official statistics set Thailand's open unemployment rate at around 1% of the present 23 million labour force. Thailand faces a serious problem of underemployment and seasonal unemployment which, without the present world recession, we might have believed did not exist. But with the deepening recession, the open unemployment situation became a more and more serious problem facing the government.

The agricultural sector is a pivotal area, a big labour-absorbing sector and thus a big consumer sector. The plight of our manufacturing sector definitely arose from the low price of our agricultural commodities, which in turn led to a decline in purchasing power for consumer goods. But unemployment statistics do not demonstrate sensitivity with changes in the world situation and we must therefore use additional indicators to point out the severity of our unemployment problems.

- 1) As clearly explained in our section on industry, the output of specific industrial products like textiles and construction materials did not rise as much as previously. Some factories closed down and operated at less-than-full capacity.
- 2) While we know that in the last few years, Thailand faced the problem of unemployment among university graduates (Table 2), the recession intensified the problem. Since its revenue collection has not been rising fast, the government, which usually takes about 65% of social science graduates, has had to start limiting its intake of graduates. As graduates' expectations and attitudes do not change quickly — they still hope they will eventually find a position with the government — the pro-

blem will become more serious in the future. And present job markets for social science graduates in the private sector are also not expanding.

- 3) At the close of 1981 and then during 1982, Thailand witnessed for the first time, substantial lay-offs. In 1981 alone, this affected over 50,000 workers. In 1982, trade union figures showed lay-offs may have even reached 100,000. This, coupled with the projected 700,000 new entrants into the labour force per year, should alone convince people that unemployment warrants a very close investigation.
- 4) Given the present situation, creating jobs will be the only solution in the short run, and yet investment declined 50% during 1982, dampening employment again.
- 5) The government's Public Works' program (tambon projects) received a smaller budget allocation in 1982 of around 2,000 million baht, a figure not to be exceeded this year.
- 6) The official figure of 1% of the total labour force unemployed is grossly misleading. Over 70% of our total labour force is employed in the agricultural sector — and since farming is often done by 'unpaid family workers', the problem of unemployment is disguised. But if one subtracts the agricultural labour force from the total labour force, the present unemployment rate is around 5% (see Table 3).

Policies to alleviate unemployment problems

One can rightly say that until recently, the government did not have a policy toward solving unemployment problems. This changed at the beginning of 1982 when Dr Snoh Unakul assigned the Human Resource Institute of Thammasat University to conduct a serious study of the present unemployment situation and suggest possible solutions. On July 19, 1982, a report was submitted to the economic cabinet and the following short-run policies were adopted:

TABLE 2 Number of Bachelors from Thammasat University, Employment and Unemployment in 1980

| Faculty | EMPLOYMENT STATUS | | Unemployment | | working before graduation | | working after graduation | | working after graduation for 1 month | | working after graduation for 2 months | |
|------------------------|-------------------|------|--------------|------|---------------------------|------|--------------------------|------|--------------------------------------|------|---------------------------------------|---|
| | Number | % | Number | % | Number | % | Number | % | Number | % | Number | % |
| Laws | 123 | 27.2 | 170 | 37.5 | 24 | 5.3 | 18 | 4.0 | 13 | 2.9 | | |
| Commerce & Accountancy | 15 | 4.2 | 27 | 7.6 | 89 | 25.1 | 70 | 19.8 | 56 | 15.8 | | |
| Political Science | 45 | 32.1 | 11 | 7.9 | 7 | 5.0 | 8 | 5.7 | 10 | 7.1 | | |
| Economics | 70 | 25.6 | 26 | 9.5 | 20 | 7.3 | 23 | 8.4 | 27 | 8.1 | | |
| Social Administration | 15 | 27.8 | 3 | 5.6 | 8 | 14.8 | 8 | 14.8 | 4 | 7.4 | | |
| Liberal Arts | 75 | 24.6 | 19 | 6.2 | 34 | 11.1 | 30 | 9.8 | 35 | 11.5 | | |
| Journalism | 13 | 14.8 | 26 | 29.5 | 13 | 14.8 | 4 | 4.5 | 5 | 5.7 | | |
| Sociology Anthropology | 2 | 15.4 | — | — | — | — | 2 | 15.4 | 3 | 23.1 | | |
| TOTAL | 358 | 21.3 | 282 | 16.8 | 185 | 11.6 | 163 | 9.7 | 148 | 8.8 | | |

Source: Thammasat University

- 1) The government will promote, support and facilitate the export of Thai labourers to the Middle East.
- 2) The minimum wage adjustment will be carefully examined by taking the the unemployment problem into consideration.
- 3) The government will try to find additional export markets for Thai goods.
- 4) The government will continue to support public works programs and obstacles to the release of funds such as government regulations will be eliminated.

Despite the stated serious concern for unemployment, certain policy options such as selective fiscal measures to promote certain industries, relaxation of Indochinese border trade and the filling of bureaucracy vacancies were not considered. But given the government's constraints, that the above policies were adopted by the economic cabinet must surely be a benchmark in recognising Thailand's unemployment problem.

| working after graduation for 3 months | | working after graduation for 6 months | | working after graduation above 6 months | | TOTAL |
|---------------------------------------|------|---------------------------------------|------|---|------|-------|
| Number | % | Number | % | Number | % | |
| 28 | 6.2 | 44 | 9.7 | 33 | 7.3 | 453 |
| 47 | 13.3 | 45 | 12.7 | 5 | 1.4 | 354 |
| 15 | 10.7 | 25 | 17.9 | 19 | 13.6 | 410 |
| 25 | 12.8 | 52 | 19.0 | 25 | 9.2 | 273 |
| 3 | 5.6 | 12 | 22.2 | 1 | 1.9 | 54 |
| 27 | 12.1 | 56 | 18.4 | 19 | 6.2 | 306 |
| 8 | 9.1 | 12 | 13.6 | 7 | 8.0 | 88 |
| 3 | 23.1 | 3 | 23.1 | — | — | 13 |
| 178 | 10.5 | 249 | 14.8 | 109 | 6.5 | 1,680 |

The long term problem

Unemployment problems are complex and mostly structural in nature requiring long term solutions. Given Thailand's other pressing problems, it is understandable that our past five Economic Plans have not properly addressed unemployment problems. Nevertheless, a clear course must be charted now and finding solutions to unemployment must be given top priority, as employment will determine other economic policies. The thinking among planners drafting the Sixth Plan is leaning in this direction, but we must wait and see.

TABLE 3 Unemployment Rate (adjusted)*(Unit: persons)*

| Year | Unemployed persons | Labour Force* | Unemployed Labour Force |
|------|--------------------|---------------|-------------------------|
| 1977 | 258,300 | 5,470,196 | 4.72 |
| 1978 | 226,600 | 5,876,514 | 3.85 |
| 1979 | 240,000 | 6,413,420 | 3.87 |
| 1980 | 265,200 | 6,844,948 | 3.87 |
| 1981 | 286,000 | 6,754,000 | 4.23 |
| 1982 | 344,000 | 7,062,000 | 4.87 |

Source: Report of Labour Force Survey, National Statistical Office; Office of the Prime Minister

* Labour Force here is only those who are wage labourers.

The export of labour

It is now conservatively estimated that at least 200,000 workers are employed overseas (Table 4) and approximately 10,000 million baht is remitted to Thailand each year (Table 5). The government realises that without Thai overseas workers (especially those in the Middle East) there would be increased pressure on unemployment and less money coming into the country.

This realisation prompted the adoption of important policies last year. The government acknowledged that in order to compete with countries such as South Korea and The Philippines, facilities allowing workers to leave Thailand must be stream-lined. The concept of 'One-Stop Service', approved by the economic cabinet on July 26, 1982 led to the establishment of the Office of Overseas Workers' Administration, under the Labour Department's jurisdiction. The new office will combine the three functions of the Labour Department, the Police Department and the Foreign

Ministry under one roof. On November 9, the main Cabinet approved the new set-up and granted 63 new positions for this office. In addition to this office, the Prime Minister also appointed the 'Committee to Promote Thai Workers Overseas', chaired by the Interior Minister. Prime Minister Prem also established the 'Committee to Promote Thai Business Overseas', chaired by Minister of the Office of the Prime Minister, Charn Manutham. This committee's aim is to promote Thai business ventures – especially construction – in the Middle East. If Thai business plays an important and active role, the employment of Thai workers will also be promoted providing extra financial return for Thailand.

TABLE 4 The Estimated Number of Thai workers in Foreign Countries*(unit in persons)*

| Country | Number of Thai workers in 1981 |
|-----------------|--------------------------------|
| 1. Saudi Arabia | 100,000 |
| 2. Libya | 25,000 |
| 3. Iraq | 20,000 |
| 4. Bahrain | 5,000 |
| 5. Kuwait | 4,000 |
| 6. Israel | 5,000 |
| 7. Emirates | 3,000 |
| 8. Qatar | 4,000 |
| 9. Jordan | 2,000 |
| 10. Yemen | 1,000 |
| 11. Singapore | 10,000 |
| 12. Brunei | 1,000 |
| 13. Japan | 150 |
| 14. Macau | 15 |
| 15. Others | 2,000 |
| Total | 182,165 |

Source: Department of Labour.

TABLE 5 Remittances by Thai Workers Abroad

| | 1976 | 1977 | 1978 | 1979 | 1980 | 1981 |
|----------------------------|-------|-------|---------|---------|---------|----------|
| Bahrain | - | - | - | 0.4 | 0.1 | - |
| Cyprus | - | - | - | 0.3 | 0.7 | 0.2 |
| Jordan | - | - | 0.1 | - | 1.6 | 4.3 |
| Kuwait | - | 0.2 | 2.7 | 10.8 | 29.6 | 57.2 |
| Libya | - | - | 0.1 | - | 21.2 | 231.3 |
| Qatar | - | - | 5.8 | 7.1 | 22.2 | 39.9 |
| United Arab Emirates | 0.1 | 2.2 | 16.5 | 5.4 | 14.6 | 10.6 |
| Oman | - | - | 0.9 | 7.6 | 16.2 | 27.7 |
| Egypt | - | - | 0.2 | 2.3 | 3.8 | 9.9 |
| Iran | 3.0 | 9.3 | 16.5 | 36.6 | 8.8 | 0.6 |
| Israel | 0.3 | - | 0.1 | 1.3 | 181.1 | 358.0 |
| Lebanon | - | - | 0.2 | 0.1 | 0.7 | 1.8 |
| Saudi Arabia | 11.6 | 76.0 | 468.4 | 1,212.2 | 3,874.5 | 5,814.4 |
| Syria | - | - | - | 0.3 | 0.1 | - |
| Iraq | - | - | 0.2 | 11.6 | 47.2 | 190.5 |
| Yemen | - | - | - | - | 21.3 | 231.1 |
| Sub-total (Middle East) | 15.0 | 87.7 | 511.7 | 1,296.0 | 4,243.7 | 6,977.5 |
| USA | 367.4 | 591.5 | 1,189.0 | 1,842.4 | 2,161.3 | 2,358.5 |
| Singapore | 8.1 | 12.1 | 25.0 | 37.5 | 107.3 | 110.1 |
| Others | 94.6 | 220.3 | 385.9 | 642.4 | 1,190.7 | 982.1 |
| Total workers' remittances | 485.1 | 911.6 | 2,11.6 | 3,818.3 | 7,703.0 | 10,428.2 |

Source: Bank Of Thailand.

While the government has attempted to promote overseas employment, it remains to be seen whether these policies and actions bear fruit quickly and effectively.

Major issues still unresolved

Despite the government's efforts, major issues regarding overseas workers remain:

- 1) Illegal employment agencies still exist posing serious problems to the government.
- 2) Plans must be made for the eventual return of these workers (within 5-10 years).
- 3) Can the government benefit further from these workers? For example, what happens to their remittances, do they go to productive investment? Can the government channel these resources into productive directions? What happens to the workers' skills once they return? Do earning differentials exist?
- 4) What happens to the wage rate in certain skill categories where shortages exist

through the out-flow of workers? Can educational institutions adjust themselves fast enough to fit the increasing demand?

- 5) What are the forecasts for manpower needs in those countries in the next five years?

These questions are extremely important and we hope the government gives them due consideration when formulating policies in 1983.

Minimum wage 1982: token, but politically meaningful

As was pointed out in BIT's mid-year report, raising the minimum wage has become a tradition for the last 8 years (Table 6), being a good indicator of the bargaining position strength of Thailand's national trade unions and especially its strongest one, the Labour Congress of Thailand (LCT). The situation is now quite different.

The economic slowdown led to a significant number of lay-offs with unemployment on the rise. The Economic Cabinet then indicated on July 19 that the minimum wage last

year should not rise above the 1981 level. The original decision of the Wage Committee was that a minimum wage would not go up at all in 1982. However, public outcry and labour union threats of protests forced the government and Wage Committee to rethink their decision. Finally, the Wage Committee granted a token 3 baht increase for 9 provinces (Table 6). The rates for the other provinces remained unchanged.

Why 64 baht

It is obvious that the 64 baht rate was a political decision aimed at pacifying the growing discontent among labour leaders. Economically and socially, the 64 baht is not enough. However, the 3 baht increase demonstrates that the unions can still bargain effectively with the government.

One interesting outcome of this year's rate is that the government no longer considers it a long term problem as the provincial rates have a higher differential than before: the dream of an equalizing wage for the whole country is shattered.

The minimum wage is a way to intervene in the market which, if necessary, should be kept simple. The outcome of the 1982 decision made the whole intervention more complex. This, in the near future, will create more problems than solutions, intensifying migration to Bangkok.

The trade unions' new strategy

The economic slowdown forced unions to have second thoughts about their strategies. In 1983, maintaining present employment levels will be more impor-

tant than bargaining for wage increases. The formation of labour unions must be promoted at small and medium enterprises so that industrial relations can be effectively conducted at the enterprise level. Other major social legislation such as a provident fund and social security should be a major aim of national trade unions. Finally, they must try to promote productivity increases for their workers through skill training and other means. On the national policy level, unions must convince the government to take labour problems seriously with a proper plan to solve problems consistently and for longer term objectives. But without the government making a serious attempt to view labour problems as top national priority, hope for improvement is extremely dim.

Labour disputes: fewer, but potentially more

Statistics (Table 7) clearly show labourers have lost a substantial bargaining position. The fewer reported cases of disputes last year showed that labourers were afraid of possible negative consequences – dismissal for example – from their employers.

This sign is extremely dangerous. Labourers must be given equal opportunity to bargain for the fruit of the economy. In 1982, they lost this potential weapon. Although in the short-run, it seems that labour conflict is on the decline, this seemingly peaceful situation is deceptive. Without their potential bargaining power, labourers may not have any alternative but to resort to social unrest. It is hoped that this year, the economy will pick up, restoring to the labourers their bargaining power.

TABLE 6 Minimum Wage from 1973-1982

Unit: Baht

| Regions | 17 Apr 1973 | 1 Jan 1974 | 14 Jan 1974 | 1 Jan 1975 | 1 Oct 1977 | 1 Oct 1978 | 1 Oct 1979 | 1 Oct 1980 | 1 Oct 1981* | 1 Oct** 1982 |
|--------------------------------------|----------------|---------------|----------------|---------------|----------------|----------------|----------------|----------------|----------------|-----------------|
| Bangkok and surrounding Provinces | 12 | 16 | 20 | 25 (25) | 28 (12) | 36 (25) | 45 (28.6) | 54 (20) | 61 (13) | 64 (4.9) |
| Central and Southern | - | - | - | 18 | 21 (16.7) | 28 (33.3) | 38 (35.7) | 47 (23.7) | 52 (10.6) | 52 (-) |
| North and Northeast | - | - | - | 16 | 19 (18.7) | 25 (31.6) | 36 (40.0) | 44 (25.7) | 52 (14.2) | 52 (-) |
| Whole Country | - | - | - | 19.7 | 22.7 (15.2) | 29.3 (29.1) | 30.3 (34.1) | 48.3 (22.9) | 55.0 (13.9) | 56 (1.8) |

In brackets are the Percent changes.

Source: * In 1981, seven provinces - Chiangmai, Nakhon

** In 1982, nine provinces - Bangkok, Nonthaburi, received 64 baht per day - but four provinces - per day.

Ratchasima, Saraburi, Chonburi, Ranong, Pang-Nga, Phuket - would receive 61 baht per day.
Samut Prakan, Pathum Thani, Nakhon Pathom, Samut Sakom, Ranong, Pang-nga, Phuket
Chiangmai, Saraburi, Chonburi and Nakhon Ratchasima received the old rate - 61 bahtTABLE 7 Labour disputes and work stoppages
1981 - 1982 (Jan - Nov)

| | 1981 | 1982 |
|--------------------------------------|--------|-------|
| Labour disputes | | |
| No. of disputes (cases) | 193 | 187 |
| No. of workers involved (persons) | 110141 | 85046 |
| Work Stoppages | | |
| No. of stoppages (cases) | 49 | 20 |
| No. of workers involved (persons) | 16973 | 6281 |
| Day lost | 258.5 | 187.5 |
| Monday's lost | 168363 | 73480 |

Sources: Labour Statistic Section, Labour Studies
and Planning Division, Dept of Labour.

New emerging issues in 1982-1983

In concluding this section, let us point out some new emerging issues which will be playing more important roles in the future.

- 1) The signs are encouraging that planners are thinking seriously about human resource development in Thailand, developing it as a major theme for the Sixth Plan.
- 2) Last year, academics and other interested parties began taking a closer look at the aspect of child labour. The problem is complex for on the one hand, economic factors have led to the use of child labour, while on the other, there is the moral question of employing children under age. The question lies in the sheer magnitude

of the number of child labourers — possibly 2 million — which presents serious problems, a situation which will be highlighted in 1983.

- 3) More and more interest in creating additional jobs in Thailand centres around the idea of small enterprises and self-employment. In 1983, this coupled with the entrepreneurial ability of the Thai people, will be discussed more as a way to create further employment.
- 4) Education, health, nutrition as well as population factors will all be looked upon with care in 1983, aiming to improve human skill and closely linked to market demand. In other words, those policies must be geared to employment. ●

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PUBLIC SECTOR SITUATION EXAMINED

Bangkok BUSINESS IN THAILAND in English Mar 83 pp 56-71

[Text]

- An unsuccessful curb on FY 1982 expenditures
- Revenue collection is 27,252 million baht below target in FY 1982
- A shocking budgetary deficit of 39,397 million baht in FY 1982
- Another major tax package in October following the one in February: Revenues vs. economic recovery
- An increased reliance on the private sector to finance the budgetary deficit
- A toast towards more authority for the powerful Ministry of Finance
- A restructure of public enterprise prices: A bold move backed by weak leadership
- The bus fare controversy: A self-inflicted wound?
- Is there finally hope for the sugar and sugarcane industry?
- The return of a minimum price for paddy: Is the commitment and belief in the measure that strong this time around?
- A disturbing and unnoticed trend of protectionist measures for the agricultural sector
- State participation in investments: A move towards socialism?
- At last, two one-stop investment service centres. Will they meet expectations?

Record shattering budgetary deficit

The expected budgetary deficit for FY 1982 as it now stands is more than anyone might have imagined a few months back. It is now estimated that the deficit figure for the entire fiscal year stands at 39,397 million baht which is about 1:88 times the forecast deficit of 21,000 million baht made at the beginning of the year. In other words, this is an increase in the deficit of 103% over FY 1981. In short, FY 1982 is a record shattering year in terms of the budgetary deficit.

Although it is a well known fact that the main factor causing the exorbitant budgetary deficit is the severe shortfall in revenue collection, government expenditures in a sense also contributed a small part to the increased deficit. The increase in actual public sector spending for FY 1982 over that of the previous year is 17.9% which is not only greater than the increase of 12.4% for FY 1981 but also greater than the targeted increase of 15% based on budget allocation figures. As it now stands, public expenditure in FY 1982 is 153,145 million baht or 95.1% of the allocated budget which is higher than the 92.8% recorded in FY 1981.

On the revenue side, the amount collected was only 113,748 million baht or 80.7% of the 141,000 million baht target set for FY 1982. This is a low proportion which was never actually experienced in the past. In absolute terms, there was a shortfall of 27,252 million baht. The measured increase in revenues in FY 1982 was only 3% as compared to the 20% in FY 1981. With an inflation rate for 1982 of approximately 5-6%, this means a net reduction in tax collection based on real terms.

TABLE 1 BUDGETARY DEFICITS**(in million baht)*

| FY | Expenditures | Revenues | Deficit |
|------|-----------------|----------------|-----------------|
| 1977 | 64,534 (93.8) | 51,601 (102.2) | 12,933 (70.6) |
| 1978 | 74,831 (92.4) | 62,120 (100.2) | 12,711 (66.9) |
| 1979 | 88,513 (96.2) | 75,061 (104.3) | 13,452 (67.3) |
| 1980 | 115,527 (106.0) | 92,126 (104.7) | 23,401 (111.43) |
| 1981 | 129,894 (92.8) | 110,476 (92.1) | 19,418 (97.1) |
| 1982 | 153,145 (95.1) | 113,747 (80.7) | 38,867 (185.1) |

*Figures in parenthesis are percentages of the total value set in the budget for that fiscal year.

Source: Bank of Thailand and Budget Bureau

TABLE 2 BUDGETARY DEFICIT FINANCING**(million baht)*

| Source of Financing | FY 1981 | | FY 1982 | |
|---|-------------------|-------------------|-------------------|-------------------|
| | Actual | Target | Actual | Target |
| Bank of Thailand | 16,276 (83.8) | 7,200 (34.3) | 17,415 (44.2) | 8,500 (32.7) |
| Commercial banks, Government Savings Bank, and other private sector | 5,583 (28.8) | 11,800 (56.2) | 23,608 (59.9) | 15,500 (59.6) |
| Others | -2,441 (-12.6) | 2,000 (9.5) | -1,627 (-4.1) | 2,000 (7.7) |
| Total Budgetary Deficit | 19,418 (100.0) | 21,000 (100.0) | 39,397 (100.0) | 26,000 (100.0) |

*Figures in parenthesis are percentages of the budgetary deficit.

Source: Bank of Thailand and Budget Bureau.

A resistance to expenditure cuts

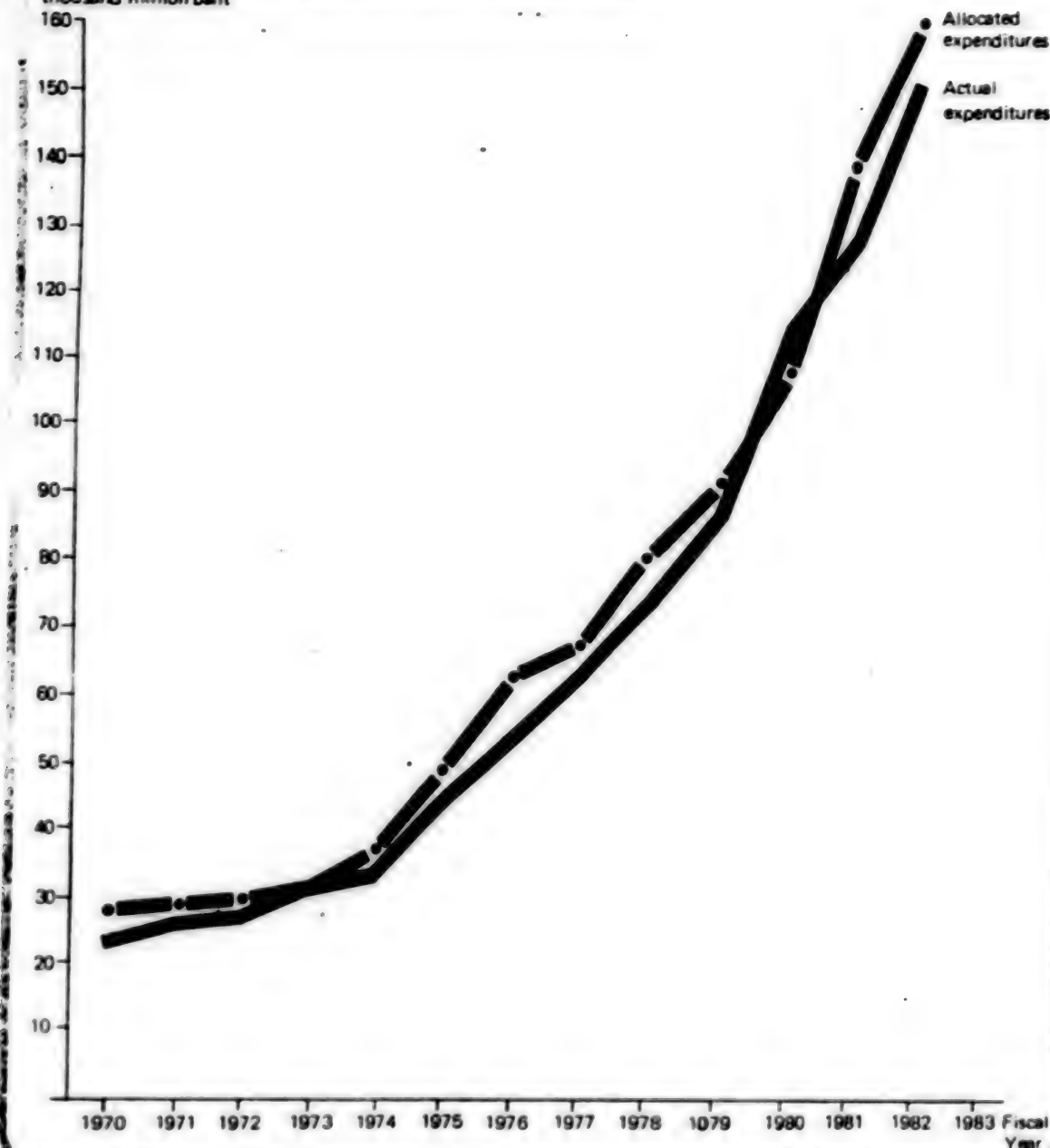
As has been mentioned in our previous economic reviews, public expenditures rose very rapidly in FY 1980 at 30.5% resulting in an attempt to curb spending early in 1981. The effort was rather successful. While government expenditures increased by 24.6% during the first half of FY 1981 as compared to that of the same period of FY 1980, the increase in the second half was only 3%.

A similar attempt to curb expenditures also took place in early 1982. However, the pace of increase in public spending did not show any discernible decline in the second half of FY 1982. It increased by 19.4% over the same period of FY 1981 while the similar figure for the first half of FY 1982 shows an increase of 16.3%.

This could be because government agencies are more reluctant to initiate spending cuts

FIGURE 1 ALLOCATED AND ACTUAL EXPENDITURES

thousand million baht



for the second year in a row especially when their future budgetary allocations are based on their past and present record of spending. Nevertheless, it should also be pointed out that the successful curbing of expenditures during the latter half of FY 1981 has resulted in a smaller actual spending base from which the increase in expenditures for FY 1982 was calculated.

Continuation of a downward spiral in revenue collection

The second half of FY 1982 continued to show a dip in revenue collection following

the trend set in the first half of the year. There are many reasons for the revenue shortfall as have been pointed out in our previous review. But the most important factor is undeniably the domestic and worldwide economic slowdown. Other countries also experienced similar problems of a sharp drop in public revenue collection and an excessively large budgetary deficit.

The pattern of revenue decline or slowdown in the latter half of FY 1982 is similar to that in the first half of the year. When compared to the same period in FY 1981, import and export duties collected during the second half

of FY 1982 showed further declines of 9.9% and 33.1%, respectively. Although business tax collection increased by 6.3% in the second half of FY 1982 over the same period of the previous year, it is still much lower than the 18.7% experienced a year ago. Tax revenues from fiscal monopolies and other contribution from government enterprises including dividends also finally ended up with declines in FY 1982 of 45.2% and 2.4%, respectively.

Revenues which did not experience collection problems for both the first and second half of FY 1982 include personal income taxes, sales and charges, and selective sales taxes. They increased by 34.7%, 17.4% and 34.8% in FY 1982, respectively. However, when compared to the revenue target, they were still all below initial expectations.

Although the combined revenues from royalties, licenses and fees, and other miscellaneous tax revenues increased only slightly by 5.8%, it is still much better than the decline of 11.8% experienced in FY 1981.

As for the corporate income tax, the second half of FY 1982 shows a decrease of 5.2% over the same period of FY 1981. This is in contrast to the figure in the first half of FY 1982 which showed an increase of 29.3% over the same period of FY 1981. A partial explanation may be due to the introduction in March 1981 of a bi-annual collection of the corporate tax. However, considering that the total corporation income tax collected in FY 1982 declined by 0.8%, it shows that the change in the second half of FY 1982 was great enough to reverse the trend set in the first half of the year.

Similar to the pattern of the corporation income tax, miscellaneous nontax revenues and income which showed an increase of 12.4% during the first half of FY 1982 over

the same period of FY 1981 finally also ended up the year with a decline of 9.9%. This was because of a 23.9% drop in revenues in the latter half of the year as compared to the same period of FY 1981.

Financing of the budgetary deficit

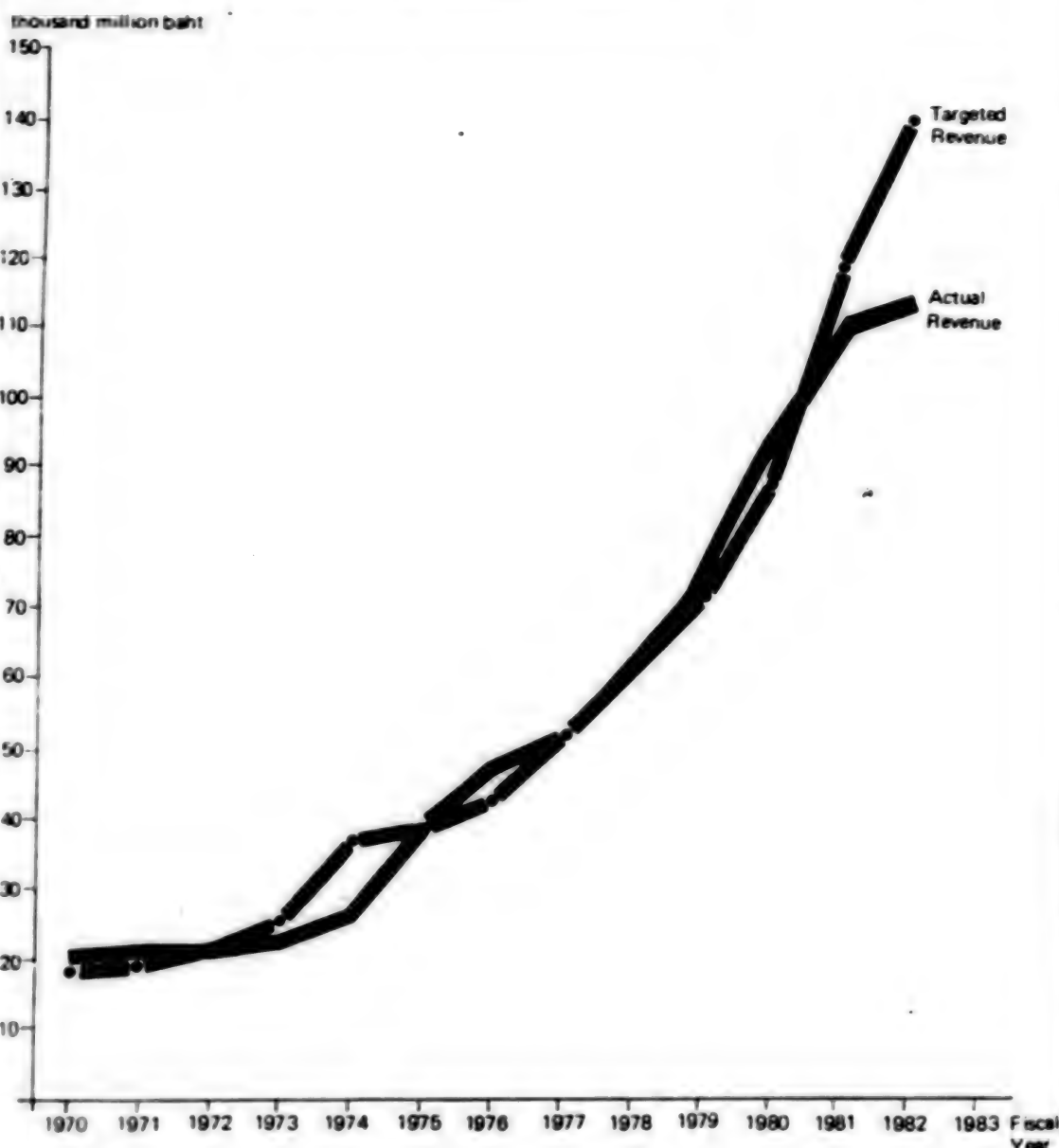
In order to finance the large budgetary deficit, the government in FY 1982 had to increase its borrowings from both the Bank of Thailand and the private sector. The actual borrowings from the central bank amounted to 17,415 million baht or 2.05 times the level of 8,500 million originally set in the budget while borrowings from commercial banks, the Government Savings Bank and other private sector sources amounted to 23,608 million baht or 1.52 times the level of 15,500 million baht originally set in the budget.

In relative terms, the picture for the Bank of Thailand was not different. The actual proportion of the deficit financed by the central bank in FY 1982 was 44.2% as compared to the 32.7% initially established in the budget. See table 2. However, the actual proportion in FY 1982 is still much lower than the 83.8% level experienced in FY 1981.

As for the share of deficit financing from commercial banks, the Government Savings Bank and other private sector sources, it was pretty much the same as that established in the budget. The actual proportion of such financing was 59.9% of the total budgetary deficit which is only very slightly greater than the 59.6% initially set at the beginning of the fiscal year. However, financing from these private sources in FY 1982 was much greater than the 28.8% experienced in FY 1981.

In comparison to FY 1981, the government in FY 1982 has relied relatively more on pri-

FIGURE 2 TARGETED AND ACTUAL REVENUE COLLECTION



vate sources for funds to finance its budget. This was especially true in the second half of the year. The proportion of such financing was 80.1% of the budgetary deficit as compared to the 46.4% made during the first half of the year.

The increased reliance of the public sector for funds from the private sector did not seem to face any grave difficulties. There was an excess supply of funds in the private money market due to the low credit demand and the high risks of lending which can both be traced to the sluggish economic growth. The public

sector's demand for funds may in fact have been welcomed by the private money market since it provided both safety and reasonable returns for fund owners who are wary of investing under recessionary conditions.

Even when the interest rates on government bonds were reduced to 13.00%-13.25% in August, the government did not encounter any difficulty in its borrowings.

Another tax package for 1982.

Due to the sharp fall in revenues collected in FY 1982 and the expected continuation

of this phenomenon into FY 1983, the government introduced a second major tax package in October 1982 to try to raise additional revenue. It is expected that the measures undertaken would bring in an additional 10,105 million baht into government coffers.

First of all, in order to counter the steep decline in import duties collected, a 10% temporary import surcharge of one year was imposed on most goods. Products exempted include petroleum and petroleum products, skimmed milk, milk powder, butter fat, some sport equipments, some musical instruments, safety devices and energy saving equipment.

Although such an action may help to raise revenues for the government, it will act to depress the local economy which is already in a recession rarely experienced in Thailand. In addition, the effect of the import surcharge in reducing the purchasing power of the population and in increasing the prices of import products may cause a significant decline in import volume. This could lead finally to additional revenues which are much less than those originally envisaged. Since the FY 1983 allocation has already been fixed at the beginning of the year, an increase in revenue collection will not lead to any increase in expenditures.

The power to utilize temporary import surcharges was not only confined to 1982-1983. The new law also provides power to the Minister of Finance to increase or to decrease the rate of import duty temporarily with the consent of the Cabinet.

Although this additional power makes it more flexible to adjust tax collection to the desired level as economic conditions change, it does have its negative side effect. During a recession as happened in 1982, an automatic fall off in tax collection would help to cushion the decline in the after-tax income of individuals and thus the decline of economic activity in general. An attempt to replenish the tax shortfall by the government will lead to a more severe recession by cutting down the purchasing power in the economy. This could be self-defeating since a further reduction in economic activity will lead to a further decline in tax collection. It can only be hoped that due consideration has already been given by the Ministry of Finance in its formulation of the measures to help raise revenues.

Secondly, firms with capital of less than 10 million baht or sales of less than 50 million

baht and self-employed individuals (such as dentists, doctors, architects, accountants, contractors and others) are now required to file income tax returns at the Revenue Department twice yearly similar to large corporations.

This was aimed not only to make the tax system fair to both small and large concerns, but it would also provide more liquidity to the public sector and greater stability in revenue collection. Furthermore, interest cost from public borrowing can be saved.

Thirdly, the director general of the Revenue Department was given additional power similar to provincial governors in confiscating, auctioning and sequestering properties of tax evaders. The director general of the Revenue Department, its provincial officers and provincial governors were also given powers to subpoena tax evaders and others to give testimony or to provide documents or evidence which are required for tax collection purposes. The measure would help make it easier for the government to collect tax arrears estimated at 18,000 million baht.

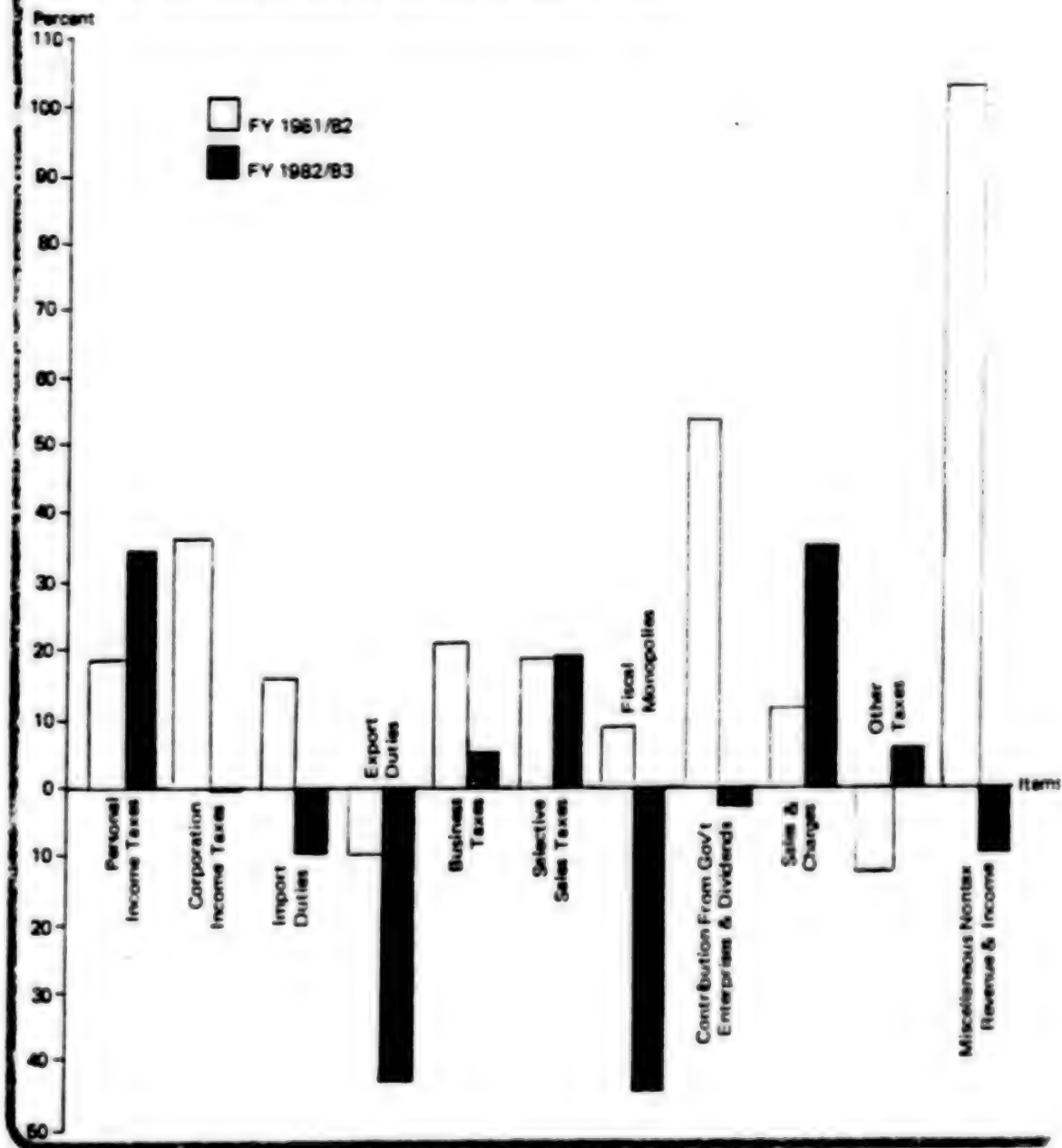
In addition to the above measures, there were also many other miscellaneous changes, such as adjustments of import duties on certain products, adjustments of some types of liquor tax from a specific rate to either a specific rate or an advalorem rate depending on whichever yields a higher amount of taxes, a redefinition of 'production' for business tax collection purposes, a reclassification of liquor for tax collection purposes, an adjustment of taxes on foreign liquor and many other measures. But one other important development is the setting up of a special committee by the Revenue Department to consider tax disputes and to help solve problems over the valuation of property or income tax rates.

State enterprise policy

In a bold move related to the deteriorating financial position of the government, the Cabinet agreed in early October to allow state enterprises, particularly those facing financial difficulties, to raise prices of their goods and services provided that they up-grade their services accordingly. It was widely believed that the World Bank had some part in such a move.

This can be seen most clearly in the case of the State Railways of Thailand (SRT). The World Bank had let it be known that the ex-

FIGURE 3 GROWTH RATES OF VARIOUS REVENUE ITEMS



tension of loans worth about 7,000 million baht to help finance the SRT's five-year development plan depended on the adjustment of passenger tariff. The train fare was initially slated to increase on December 1. But due to the bus fare controversy, the matter was postponed indefinitely.

In other cases involving price adjustments, the Metropolitan Water Works Authority (MWWA) managed in July to raise its fees for the maintenance of water meters by up to 300% depending on pipe sizes while the Port Authority of Thailand (PAT) successfully increased its tariff charges which had remained unchanged for the past six years by between 30%-1000% effective starting December. The Provincial Water Works Authority (PWWA) which had been lobbying for a tariff increase was, however, not as lucky as the others in its attempt.

As for the explosive issue concerning the Bangkok Mass Transit Authority (BMTA), the fare increase was effective only for the period of November 6-24. It was aborted after intensive protests by student groups and labour unions. Not only was the fare increase unsuccessful, it has without doubt also placed a halt to any further attempts at the adjustment of state enterprise prices at least until after the June general elections. The SRT case seems to be the clearest example.

In retrospect, it should be pointed out that although price increases for state enterprises were in most cases justified, the government policy of allowing adjustments to take place simultaneously within a short time span is something which should be avoided. Not only would it create political resistance, but it could also stimulate inflationary pressure. However, in the case of 1982, this argument may not be so strong since the rate of infla-

tion has been declining rapidly because of the worldwide recession.

An additional point concerning state enterprise policy is that the government should be more flexible and respond faster to the changing conditions of these entities. Price controls should not be allowed to persist for long periods of time without a review. This could only lead, as in most cases, to exorbitant price increases when adjustments were finally allowed for. It may also be politically less acceptable. Furthermore, the financial status of many enterprises may have been weakened gravely and require time to solve even when price adjustments have been allowed for.

The bus fare issue

It can be confidently stated that no single issue so dominated the local news media in the latter half of 1982, and maybe for the entire of 1982, than that concerning the bus fare increase. After the fare was raised from 1.50 baht to 2.00 baht for the first 10 kilometres in November, it ignited protests from student groups and labour unions. The press also joined in to side with the protestors and the issue was not allowed to quieten down. For over a month, one could seldom find a day without the issue appearing in the news headlines.

The hysterical and mainly one-sided reporting in the press is worrisome in that the issue was not allowed to be viewed objectively thus making any solution to the problem all the more difficult.

Although it is undeniable that a large part of the losses of the BMTA is due to management inefficiency, it is also a fact that government price control of bus services is another reason for the problem.

Since the establishment of the BMTA, bus fare adjustments have always lagged behind inflation and operational costs. After the fare increase from 0.75 baht to 1.00 baht on 1 April 1978, there had been only one other successful increase which took place on 1 March 1981. And even in this case, the original increase to 2.00 baht had to be rolled back to 1.50 baht due to student protests. Considering that during the period in which the bus fare was held at one baht, diesel oil costs which is about one third of total operational costs increased by 180%, the 50% increase in fare in March 1981 is insufficient to cover the large increase in the cost of operations not directly under the control of the BMTA.

Any successful solution to the bus problem must therefore involve both a price adjustment and a reorganization of management of the BMTA at the same time.

Notwithstanding the above, the present and past governments must shoulder a large part of the blame. The establishment of the BMTA from 24 private and public bus firms in 1976 came about without any advance planning. Modern management and monitoring systems were not introduced. This is quite shocking considering that the BMTA is an exceptionally large corporation by Thai standards and maybe even international standards.

Rivalry among the different management teams merged into the BMTA has also been cited as another negative factor. In addition, there have also been widespread charges by the public of corruption at all levels.

The appointment of the present managing director with no management expertise in running a large corporation has also contributed to the problem. It does not alleviate the public's concern for the government's seriousness and sincerity in solving the BMTA's

inefficiency problem. This lack of government credibility has only added ammunition to the opponents of the bus fare increase.

Furthermore, it is ironic to think that in order to solve all the above and other remaining problems, additional investments, besides a new management team, are required. Under the present circumstances, the financial position and credit rating of the BMTA rule out any such possibility, thus perpetuating the vicious circle.

It is undeniable that a successful solution to the BMTA's problems must involve a reorganization of the management system together with a new management team well versed in the modern techniques of handling a large corporation. However, an overhaul of management cannot come about overnight even when the government is firmly committed to such a course. Meanwhile, the BMTA will have to go on accumulating losses which up to now is estimated to amount to about 3,800 million baht. These losses must somehow be borne by someone.

It is naive for the protestors and news media to think that such losses can be shouldered ultimately by the government. It should be recognized that the public sector's resources must be obtained through revenues collected from economic units in the economy or through borrowing.

In either case, it would have created inequity since the nonusers of the BMTA's services would be made to pay for the users. If the losses were financed by taxes, it would be most unfair to those outside the Greater Bangkok area who are actually paying higher transportation costs than the people in Bangkok. If they were financed by borrowing, future generations would have to bear the burden.

The control of the bus fare as a measure to help the poor in the Bangkok Metropolis is also not a good policy. Firstly, poverty outside of Bangkok has been overlooked. Secondly, much better programs can be formulated which would permanently help the poor in the longer term. And if no good programs can be found, it is always better to distribute cash directly to the poor and let them decide on whether they want to spend the extra money on bus services or other things.

In short, the control of the bus fare does not seem to measure up well to any yardstick as a good policy tool to solve the fundamental problems of the economy.

Agricultural policy

Even though there has been a rotation and transfer of high government officials involved in setting agricultural policy in 1982, there have not been many significant changes in policy trends. Policies concerning major commodities, such as those on maize, rubber and tapioca, remained pretty much the same.

In the case of rice or paddy, the government has once again introduced a minimum paddy price for the new 1982/1983 crop season after dismissing a complex stabilization package recommended by the working group appointed by the economic ministers to study and set rice policy. The price was initially fixed at 3,000 baht per kwien for 5% grain. But after a threatened demonstration by farmers, the government raised the minimum price to 3,300 baht per kwien in early December.

At first glance, the minimum price support

scheme seems to show that the government has not fully learned from its mistake in the past crop year of trying to support a minimum guaranteed price of 3,750 baht per kwien. As is well known, the program for crop year 1981/1982 not only ended in failure since the average price received by farmers was much below the minimum set, but it also resulted in excessive losses by the Marketing Organization for Farmers (MOR) and the Public Warehouse Organization (PWO). It has also been charged that rice millers and middlemen are the ones who actually gained, since purchases of paddy were done mainly through rice mills.

However, a closer look at the minimum paddy price established for crop year 1982/1983 shows that it is much lower than the price for crop year 1981/1982. Furthermore, the minimum price established is not much higher than the prevailing market price. Considering that the world supply situation of rice may not be as great as last year's due to floods and droughts in many countries including Thailand, rice prices are expected to increase which could result in market prices being higher than the minimum level established.

It thus seems plausible to think that the price support scheme for crop year 1982/1983 was designed more for public relations purposes or through political reasoning to show that the government is actually doing something to help solve the problem of depressed paddy prices rather than a real belief that such a measure works in actual practice. This is further supported by the fewer rice buying points which have been planned for the 1982/1983 crop year.

It is ironic to think that, if the government had actually wanted to further help farmers

receive more favourable prices than that presently existing in the local market, a measure which would involve much less administrative cost and easier to implement has not been used instead. This is the rice premium. There are still premiums of 400 baht per ton for 100% and 5% grade white rice; 350 baht per ton for 10% and 15% grade white rice; and 250 baht for 35% and 45% grade white rice, all high-grade parboiled rice, all high-grade glutinous rice and A-1 super grade broken white rice. These and other types of premium levels will remain unchanged at least up to 30 June 1983.

It is probably difficult to expect a further rice premium reduction considering that such tax collection had gone down significantly in the past year and had contributed to the cash flow problem now faced by the government. On the contrary, if rice prices improved significantly, the government may try to balance its budget by increasing the rice premium collection or reinstituting the rice reserve requirement.

A more significant change in agricultural policy in the latter half of 1982 involves the sugarcane and sugar industry. Instead of intervening in the market to set a guaranteed price for sugarcane as in the past year, the government devised a profit-sharing scheme of 70% for cane growers and 30% for millers.

A joint private-government company called the Thai Cane and Sugar Corporation Limited with equities equally distributed among sugarcane growers, sugar mills and the Ministry of Industry was also set up to handle only advance sales of sugar to overseas markets. About 600,000 tons of sugar would be exported annually under such a scheme for the next five years. Advance payments from such

overseas sales will be used to help finance the new profit-sharing system. In addition, credit lines will also be obtained from other foreign sources and domestic banks.

It is still too early to say whether the new system will actually work in practice. Nevertheless, considering that domestic sugarcane and sugar prices will no longer be artificially shielded from movements of world prices, it is a more realistic policy. It would also not involve government subsidies, thus releasing pressure on the budget to some extent.

Another major improvement is that the sugarcane issue has been made less controversial or political. Sugarcane growers and sugar millers now no longer have to hassle over sugarcane prices since there is now a fixed formula to determine such prices under the profit-sharing scheme.

However, it remains to be seen how effective the new system will actually turn out to be.

A significant trend in agricultural policy seems to be taking place without much attention in recent times. This is the ever increasing import protection provided to local agricultural production. It is hard to believe that a reputed agricultural country such as Thailand would have to rely on or need such protectionist measures. However, this is true of many agricultural products which are of lesser significance in the economy.

In recent years, import bans and controls have been placed on such crops as kenaf, onion and garlic. These have led to periodic shortages and high prices of these commodities in the country. In the case of kenaf, it has also affected the production of gunny bags which rely on the crop as raw materials.

In July 1982, fishmeal was added to the

list of agricultural products subjected to import control by the Ministry of Commerce (MOC). Prior permission to import fishmeal must now be obtained from the MOC and it would be allowed only when the price of such a local product becomes unusually high or when there is a shortage of the product in the country.

In the same month in which fishmeal import was banned, tight restrictions on the import of many oil producing commodities were also imposed in order to protect the local vegetable oil seed farmers and the vegetable oil industry. Products affected include fresh or dried coconuts, soybeans, copra, soybean oil and palm oil.

It should be pointed out that such import restrictions will only perpetuate the production of such unprofitable commodities. This would be an inefficient use of agricultural resources. Furthermore, the power to grant import permits would make the administrative system more prone to corruption. It can only be hoped that this will be recognized by the government and actions undertaken to free import trade of agricultural products similar to those on exports.

Investment policy

After two decades of economic development, the government is now trying to direct the country into another stage of industrialization involving larger scale projects which are in accordance with the Fifth Five-Year Development Plan and especially those involving the use of natural gas and planned for the Eastern Seaboard area. In 1982, August seems to be the month with greatest activity in this respect. There were

three large-scale investment projects which the government considered to undertake through state initiatives. They were a fertilizer plant, a gas export firm and a convention centre.

In addition, the month of August also saw, for the first time, the introduction of a package of guidelines for state participation in large-scale and ambitious industrial projects which would have difficulty being launched solely by the private sector.

This declared intention of state involvement in investment is probably aimed to help provide confidence to private investors of large-scale investment projects. However, the government was also wary that private investors may take advantage of this and involve the state in questionable enterprises with the hope that, in the event of losses, the public sector would shoulder the entire burden.

The investment package thus stated that projects with state participation must be economically feasible and viable; and must be in accordance with the Fifth Plan or have received promotional privileges from the Board of Investment (BOI) or support from other public agencies.

Furthermore, it was stated that public participation will be done on a limited scale and only in the initial stage of operation. The government also will not act as a guarantor of loans borrowed for the projects.

It remains to be seen how strictly such guidelines will be followed. But noting from the case of the National Fertilizer Company Limited which was established after the breakdown of negotiations with the Scandinavian consortium, the sign does not seem to be encouraging. The government has been slated to hold about 40% of the equity – a figure

much higher than the maximum of 20% share declared in the guidelines for state participation in investments of 1,000 million baht upwards, in addition, if the project were economically feasible and viable, promotional privileges should not be required as have been planned.

Another factor of concern in the case of state participation in private investments is the ability of the government agencies to screen such large industrial projects. Investments promoted by the Board of Investment (BOI) in the past were generally small and medium scale projects. Even here the ability to screen projects have in many instances been questionable. The introduction of large scale projects is thus a rather risky venture.

However, considering that there could be a reorganization and beefing up of the BOI under the present secretary general, it can only be hoped that the ability to screen such large scale projects will be upgraded.

In a separate move aimed at cutting down administrative red tape in order to promote investment, the government in November established two new one-stop investment service centres. One is located at the BOI to handle projects requesting promotion while the other is located at the Ministry of Industry to handle general investment projects not requesting promotional privileges. Investors now need only go to one of these centres to have their investment request processed. There is now also a time limit of 90 days for the consideration and processing of investment applications and documents.

Authority to review and consider applications for investment promotion in certain cases were also delegated to a new Investment Promotion Executive Subcommittee. The authority, however, does not cover investment applications involving a minimum investment capital of more than 50 million baht or those requiring tax protection of more than 30% or those which the subcommittee recommended a corporate tax exemption of more than four years. Approval from BOI's board is also needed in modifying the list of industries to be promoted and in withdrawing promotional

privileges.

The effort at cutting down red tape is encouraging. Nevertheless, for large scale investment projects, sufficient time and qualified manpower to screen such undertakings should be invested lest the scarce capital resources of the country be spent in vain.

Outlook for 1983

After a year of prolonged recession, all of us are probably basing our hope that 1983 will actually turn out to be a better year. Although it is still widely expected that economic recovery will start this year, forecasts show that it will be slow and mild.

The slow and mild economic recovery is not likely to lead to a significant increase in revenue collection. Although various measures have been undertaken in the past year to help raise revenue collection, the adjustment of personal income taxes which will take effect this year will counter such increases to some extent. It is quite likely that the targeted increase in revenue collection of 17.5% cannot be met in actual practice.

On the expenditure side, the small increase in budget allocation of 10% is quite likely to be reached in actual terms. This is all the more so if we consider that the actual increase in FY 1982 was 17.9%.

Given the above scenario, it can then be anticipated that the budgetary deficit for FY 1983 will remain high. It will certainly be above the 26,000 million baht originally set in the FY 1983 budget. The guess made here is that it will again be close to 40,000 million baht.

With the pressure of a continuously large budgetary deficit, it can only be hoped that major policy reforms will be undertaken instead of using piecemeal measures to collect additional taxes without regard to their negative impact on the economy. How it will all turn out finally is rather difficult to say especially when there will be a change of government this year. We must again patiently wait for the results of the general election, that is, if there is going to be one. ●

UNION OIL INSTALLS NEW PLATFORMS

Bangkok BANGKOK TIMES in English 25 Mar 83 pp 17, 18

[Text]

UNION Oil Co of Thailand's three new well (drilling) platforms, which were towed from Nippon Steel's yard in Japan, are being installed at its three gas fields in the Gulf of Thailand.

An informed source close to Union Oil said the three platforms, comprising jackets and decks, are for the Erawan Baanpot and Satun gas fields.

One of them will become the seventh well platform to have been installed at the Erawan field in Union Oil's attempt to prop up gas production in that troubled field. The other two are in line with the second gas sale agreement entered into by the American oil concessionaire and the Petroleum Authority of Thailand (PTT).

Supporting drilling equipment will be in-

stalled atop these well platforms at various stages and are expected to start drilling between this and next years. When drilling, they will be assisted by tender barges.

The four-leg well platforms, each costing about US\$5-7 million, are submerged to a depth of between 210 and 240 feet, with piling depth below seabed of about 315 feet.

Each well platform can accommodate up to 12 wells and is about 130 feet above sea level. It is designed to resist waves of as much as 42 feet high.

In the second half of last year, Union Oil had installed three well platforms in Platong field which is also under the second contract.

The fourth four-leg well platform and an eight-leg central process-

ing platform are scheduled to be installed in Platong in November this year, while a four-leg living quarters platform nearby is planned to be installed next year.

Altogether four well platforms, one central processing platform and a living quarters platform will be installed in Platong field.

At Satun field, a total of six well platforms, one central processing platform and one living quarters platform are planned to be installed between this and next years.

There will be only one well platform at Baanpot whose gas will be processed at Erawan's facilities. Union Oil hopes to start producing gas from this field late this year or early next year.

At Erawan field, the sixth well platform was positioned late last year. Eventually, a total of five additional well platforms will be installed at the field to boost its gas production which now flows at about half the

expected rate of 250 million cubic feet a day.

PLATFORMS

Originally, there were five well platforms, four remote processing platforms, one central processing platform and one residential platform planned for the Erawan.

Currently, Union Oil is employing seven drilling parties — one drill ship and six tender barges — in its offshore concession areas. An additional tender barge is scheduled to join the fleet next month.

All the platforms under the second Union Oil-PTT contract will come from Nippon Steel's yard and carry similar specifications.

So far, Union Oil has drilled a total of 51 development wells in its concession areas. Gas from the second contract is due to start flowing in April 1985, at the initial rate of 150 million cubic feet a day.

KUKRIT RAPS ISOC OVER LABOR LINK

Bangkok BANGKOK TIMES in English 25 Mar 83 p 2

[Text]

SOCIAL Action Party leader M.R. Kukrit Pramoj yesterday produced evidence purporting that five leading labour leaders have been exploited by the Internal Security Operation Command.

The evidence in the form of a photocopy of an official order to the State Railways of Thailand (SRT) for the five leaders to work for the ISOC, was published in his "Sai Suan Phu" column in yesterday's edition of *Siam Rath* newspaper.

According to the order signed by Lt-Gen Mana Rattanakoses, chief of the ISOC's civilian affairs, the five workers were Labour Congress of Thailand president Ahmad Khamthethong, SRT unionists Mr Sawat Lookdote, Mr Prathin Thammamongchay, Mr Wanchai Promma and

Mr Paitoon Seniwong na Ayutthaya.

In the letter, Lt-Gen Mana told the SRT governor that the ISOC had a duty concerning the mass movement of people and would like to make a request for the five workers to help with occasional "special official work."

SUPPORT

M.R. Kukrit said in his article that the Labour Movement of Thailand, led by Mr Ahmad, staged a rally at Sanam Luang on Wednesday in support of the military-backed constitutional amendment.

He said the copy of the ISOC letter left him wondering if the commanding officers in the ISOC had anything to do with Wednesday's rally.

CSO: 4200/511

BORDER TEAM PLANS OFFICE FOR SONGKHLA

Bangkok BANGKOK TIMES in English 25 Mar 83 p 2

[Text]

YALA
THE committee to solve the dual citizenship of residents living along the Thai-Malaysian border has agreed to set up its office with the joint border committee headquarters in Songkhla Province, Deputy Permanent Secretary to the Interior Ministry Anant Anantakul said on Wednesday.

The decision was reached during a meeting of the committee which also agreed on a three-point plan which will have to be approved by the Government.

The plan calls for:

- No identification cards or passports will be issued for those holding dual citizenship;
- Areas where people with dual citizenship are allowed to enter will be mapped out, and
- A report on persons holding two nationalities will be studied.

Two types of persons with dual nationalities have been classified as: Those who use dual nationalities to smuggle goods across the border

and become involved in insurgency; and those who use the privilege to visit relatives or carry out normal business across the border.

Asked about the figure of 100,000 people with dual citizenship obtained from a government agency, Anant was not able to confirm.

However, he said he had figures from the Immigration Office showing that two years ago there were more than 20,000 persons with two nationalities.

Anant said the deep-rooted problem of these people is that they still consider Malaysia as the country to look to, and want to maintain their religious and cultural contacts by sending their children to study there.

In Malaysia, there is free primary schooling for Muslim children, but parents have to be Malaysian citizens, he pointed out.

However, Anant said that the committee will try to solve this problem as quickly as possible.

CSO: 4200/511

BRIEFS

MANILA MAY BUY MAIZE--Thailand is likely to export more maize to the Philippines provided the price of the Thai product is competitive, the Commerce Ministry said yesterday. The ministry said its Commercial Counsellor in Manila, Mr Charas Trusuthas, recently reported that a drought has caused extensive damage to the maize crop in the Philippines, thus forcing that country to import more maize to meet the rising local demand. According to Mr Charas' report, the Agriculture Ministry of that country has estimated that about 380,000 rai of maize plantations were damaged by serious drought, thus cutting the maize production in the 1982-83 season by about 200,000 tons worth about 635 million baht. [Text] [Bangkok BANGKOK TIMES in English 24 Mar 83 p 19]

RISE IN ERAWAN GAS OUTPUT--Natural gas production at Union Oil Co of Thailand's troubled Erawan field is improving, with supplies to the Petroleum Authority of Thailand (PTT) rising to about 130 million cubic feet a day (MMcfd) a week ago from the previous rate of about 110 MMcfd. PTT officials attributed the improvement to compressors which began operations at the Erawan field more than a week ago. According to a PTT report, last Thursday's gas supply was 136 MMcfd. However, the supply still falls far short of the contractual level of 250 MMcfd. "It's a good sign that Erawan has recovered a bit. But I don't think that rate would gradually increase to the contractual rate," said one PTT official who added that the gas flow would reach only 150 MMcfd at its best. According to Union Oil, the compressors are able to boost gas production by 10-12%. The Erawan field's proven gas reserves are said to be only one third of the original estimate of 1.58 trillion cubic feet. At its peak last year, the field was producing about 160 MMcfd, but this dropped to about 110 MMcfd late last year. [Text] [Bangkok BANGKOK TIMES in English 25 Mar 83 p 17]

CSO: 4200/511

BRIEFS

WORK ON HUNTER ISLAND--Herald Corres Port Vila--French authorities may be trying to establish a landing area on Hunter Island, a disputed territory about 600 kilometres east of New Caledonia. An Australian light aircraft pilot who flew over the tiny island on Tuesday saw a French warship anchored offshore. It appeared that some work had been done on a landing area at the volcanic outcrop, sovereignty for which is claimed by New Caledonia and Vanuatu. The pilot, Mr Keith Barlow, circled the island several times but was unable to see any trace of the Vanuatu national flag raised by a group of Vanuatu chiefs earlier this month. The Vanuatu Government is negotiating with the French through diplomatic channels over rights to the islands. [Auckland THE NEW ZEALAND HERALD In English 26 Mar 83 p 5]

DISPUTED ISLANDS--In the South Pacific, France has been facing some problems in its island territory of New Caledonia; but its relations with the neighbouring republic of Vanuatu (formerly, as the New Hebrides, a British-French condominium) were improving--until a fortnight ago. Then Vanuatu sent its whole navy, one yacht, to claim two islets which have hitherto been regarded as part of New Caledonia. Vanuatu has made it clear that it wants the disputed islands--which are tiny and uninhabited--only because, under the new sea law code, rights to a large fishing area go with them. In practice, Vanuatu could not police this sea area. Sensibly, therefore, the French seem inclined to play down the episode as far as possible. Vanuatu's ruling party, based on the island group's English-speaking majority, has been falling apart. Four of the eight original Ministers have now left the Government. The Prime Minister, Mr Walter Lini, has come under fire from both Left and Right, and the shakiness of his position is probably enough to account for his little plunge into territorial expansionism. Shades of General Galtieri. Fortunately, Mr Lini, an Anglican clergyman, has neither the means nor the mentality to start a "Falklands war" in the Pacific. [Christchurch THE PRESS in English 29 Mar 83 p 20]

CSO: 4200/536

BRIEFS

WESTERN SAMOA DEVALUATION--The Western Samoan tala was yesterday devalued 6 percent in the wake of Australia and New Zealand devaluations. Although Samoa's move was seen as inevitable by observers it is likely to result in further political difficulties for the new government of Prime Minister Tofilau Eti. Last month he devalued the tala 10 percent to bring it into line with the New Zealand dollar. The move was welcomed by Samoans in New Zealand who send over \$15 million a year in remittances to Samoa. The devaluation forced up the price of imported goods. With Tofilau's recent austerity budget facing a tough passage in the Legislative Assembly currently, yesterday's 6 percent devaluation will add to his political burden. [Wellington THE EVENING PRESS in English 11 Mar 83 p 10]

CSO: 4200/534

MILITARY AFFAIRS AND PUBLIC SECURITY

RADIO REPORTS ON 'COASTAL FORTRESSES' SEMINAR

BK110611 Hanoi Domestic Service in Vietnamese 2330 GMT 10 Apr 83

[Radio editor's review of activities of the people's armed forces for last week]

[Excerpt] Dear comrades and friends, noteworthy among the activities of our people's armed forces reported last week was an important conference--a seminar on the building of coastal district fortresses--which was organized by the Ministry of National Defense. Through this conference, we have been informed of many new efforts and good experiences by various localities in fully understanding and creatively implementing the party's political, economic and military lines.

Over the past 3 years various localities have concentrated their leadership and guidance on the building of pilot districts; and these districts have been formed into battle stations. By closely combining economy with national defense and vice versa and national defense with security, and by ensuring combat readiness and economic development simultaneously, each district has improved its fighting strength and combat readiness.

The most striking point is that all coastal district military fortresses have combined the task of countering the enemy's multifaceted war of sabotage with readiness to cope with a war of aggression. In many localities of Quang Ninh, the 3d military region and the 4th military region, fishing fleets have been consolidated and reorganized into three forces operating in distant, medium-distant and coastal waters to simultaneously carry out fishing activities and monitor the enemy's activities or engage in combat at sea. These forces have closely coordinated with the security, border defense and naval forces, motivated their personnel to set up a network for observing the enemy's activities, and developed uniform plans for combat and defense in the various areas in order to gradually close up the coastal defense line; and they have, on many occasions, promptly arrested enemy infiltrators from the sea.

CSO: 4209/337

MILITARY AFFAIRS AND PUBLIC SECURITY

MEETING DISCUSSES WORK OF NAVAL YOUTH GROUPS

BK110353 Hanoi Domestic Service in Vietnamese 1400 GMT 7 Apr 83

[Text] A congress on the three-assault youth movement to master the territorial waters was recently held by the naval armed service to evaluate achievements scored by youths in implementing their revolutionary action program during the past 2 years.

The congress unanimously evaluated and highly commended the combat exploits and new achievements scored by youths in the naval force, especially youths of the M-46 group who are performing their duties on the Spratly islands. These youths have strengthened their unity and overcome difficulties to resolutely build the Spratlys into a staunch archipelago of the fatherland. The group has been awarded the VPA hero title by the party and the state.

The congress affirmed that in carrying out the three-assault emulation movement to master the territorial waters during the past 2 years, the naval armed service has developed and improved its skills in many fields quantitatively and qualitatively, including the ability to conduct joint military operations at sea, to build and repair ships and vessels and to help develop the maritime economy. The navy has, in particular, built a contingent of youths who are able to fight the enemy while carrying out maritime economic tasks effectively. These are youths who love the sea and their ships and who have emulated in taking the lead in learning naval military sciences.

Thousands of youths in the navy have become cadres, and 4,000 outstanding youth union members have become VCP members. Three units had been awarded the rotation banner by the VPA general political department for their outstanding achievements in the youth movement. Twenty-four youth union chapters have been awarded the most outstanding determined-to-win banner, and 60 youth union organizations have been awarded commendation certificates.

During the emulation drive to score achievements to greet the 52th founding anniversary of the Ho Chi Minh Communist Youth Union, seven organizations and three individuals of naval force have been proposed to the youth union Central Committee for the rotation banner and the national defense heroic youth medal.

CSO: 4209/337

MILITARY AFFAIRS AND PUBLIC SECURITY

CHEMICAL FORCES REMAIN VIGILANT, TRAIN CADRES

BK091004 Hanoi Domestic Service in Vietnamese 1400 GMT 7 Apr 83

[Text] To emulate achievements to mark the 25th anniversary of the chemical corps--19 April--the chemical forces of the 1st, 2d, 3d, 5th, Quang Ninh and capital military regions have always remained vigilant and have made every effort to build their own units into those with good solidarity and single-mindedness, strict discipline, and good records in technical and tactical training. Their personnel, vehicles, mechanical devices and other specialized equipment must always be ready to move when an order is given.

The above-mentioned military regions have given training on prevention against toxic chemicals for cadres and soldiers of their regular, regional, provincial, district and village forces. A total of 6,474 cadres and 89,749 soldiers and self-defense militiamen have received training on how to detect and prevent toxic chemicals and to administer first-aid in case there is an enemy chemical weapons attack.

The chemical forces of various armed services and branches such as the navy, the air defense service, the artillery corps, group 067 and units D-1, D-2 and D-3 have given training on measures to take against toxic chemicals for tens of thousands of provincial, district and village cadres and self-defense militiamen. Trainees have learned how to prevent and protect themselves against toxic-chemical attacks and to give emergency treatment to men, domestic animals and crops contaminated by enemy toxic chemicals.

After training, cadres, soldiers and self-defense militiamen have been rated good, both in theory and practice. They can use rudimentary and ready-made instruments in a skillful manner.

CSO: 4209/337

MILITARY AFFAIRS AND PUBLIC SECURITY

RADIO HAILS 01 CHEMICAL WARFARE BATTALION

BK191610 Hanoi Domestic Service in Vietnamese 2330 GMT 18 Apr 83

[Article by (Luong Hai): "A Worthy Succeeding Generation"]

[Summary] "The young combatants of the 01 Chemical Warfare Battalion [tiêu dạnf khoong môtj booj dđoofj hoas hocj] take great pride in the fact that their unit was founded on the same day as the Chemical Forces, 19 April 1958. During the anti-U.S. war for national salvation, cadres and combatants of the battalion were present on many battlefronts. They were chemical defense detachments which conducted joint combat operations with other armed branches and services, flamethrower detachments which participated in many campaigns and scored outstanding achievements, and smokescreen detachments which protected numerous targets in the north during the U.S. war of destruction.

"The 01 Battalion has recorded glorious achievements in building, fighting and working and has been awarded 54 military service and exploit orders of all classes by the party and the state. One comrade has been honored with the title of Hero of the People's Armed Forces and many cadres and combatants have won the title of Valiant U.S. Aggressor Killer. Serving as an assault force, the youths of the 01 Battalion have accepted and satisfactorily fulfilled all ad hoc duties assigned by the upper echelon to the battalion, such as the tasks of firefighting at the Quang Ninh coal mine, spraying insecticides to protect cotton in Thuan Hai, or undergoing training to achieve combat readiness."

All the youth union chapters in the battalion have served as assault forces in the emulation movement to score achievements in honor of the 25th founding anniversary of the Chemical Forces. The battalion's youths have taken the initiative in building fishponds, making bricks to build houses, planting fruit trees and cleaning up their barracks.

"Cadres have assisted combatants: old combatants have assisted new combatants; and new combatants have totally devoted themselves to studying and training. Thanks to this, the entire unit has quickly mastered techniques, gained expertise in handling motor vehicles, weapons and the Chemical Forces' special equipment, and achieved high combat readiness. In combat alert training, the 1st and 2d Companies have maintained secrecy and safety, rapidly moved into staging positions and destroyed the enemy with their first shots. In

particular, in the 4th Company, the battalion's lead banner, cadres and combatants, with their new equipment and weapons, enthusiastically and seriously began study and training. After only a short period, they completed the training program and stood ready for combat duty. After a test of its theoretical knowledge of motor vehicles and the special equipment of the Chemical Forces, the 4th Company was recognized by the upper echelon as an excellent unit."

All procedures and regulations have been seriously implemented in the entire 01 Battalion. Bringing into play their outstanding records of 1982, the young combatants of the 01 Battalion are enthusiastically training and working to score achievements in honor of the Chemical Forces' anniversary.

CSO: 4209/337

MILITARY AFFAIRS AND PUBLIC SECURITY

1ST MR FUNCTION HELD TO RECEIVE ORDER, AWARD

BK140753 Hanoi Domestic Service in Vietnamese 2300 GMT 13 Apr 83

[Text] The 1st military region recently held a function to receive the Military Service Order, first class, and the 1982 award banner bestowed by the Council of Ministers for its outstanding achievements in a campaign to develop the fine character and increase the fighting strength of the people's armed forces.

During the campaign, the 1st military region made further progress toward maturity. Various armed forces were strengthened and the combat position was consolidated and improved to ensure a firmer defense capability, thereby contributing to increasing the combined strength of the military region. The movement to build progressive unit was widely expanded not only at the company, battalion, regiment, village and district levels, but also at the division, organization, department and provincial levels, which had combat units, and at various agencies and schools and so forth.

On this occasion, Lt Gen Dam Quang Trung, member of the Council of State and commander of the 1st military region, conferred the Military Service Order, third class, and Military Exploit Order of various kinds on 63 units of localities in the military region.

Representatives of units armed services and militia and self-defense forces signed an emulation agreement for 1983.

CSO: 4209/337

MILITARY AFFAIRS AND PUBLIC SECURITY

BRIEFS

SON LA TROOP DELIVERY--By mid-March, Son La Province had fulfilled its troops delivery quota for the first phase as scheduled. The number of troops delivered in this phase constitutes two-thirds of the annual troop recruitment quota assigned by the state. Districts with good records in this troop recruitment phase were Phu Yen, Muong La, Yen Chau, Mai Son Quynh Nhai and Soin La City. [Text] [BK121703 Hanoi Domestic Service in Vietnamese 1400 GMT 11 Apr 83 BK]

CSO: 4209/337

INTERNATIONAL RELATIONS, TRADE AND AID

COMMENTARY URGES THAILAND CONSIDER DIALOGUE

BK121212 Hanoi International Service in English 1000 GMT 12 Apr 83

[Station commentary]

[Text] Like any independent and sovereign country, the PRK has been taking appropriate measures to ensure the life, property and rebirth of the Kampuchean people. The punishment of Pol Pot remnants and other Khmer reactionaries by the Kampuchean armed forces and Vietnamese volunteer troops at the Kampuchean border is a just, legal counteraction in conformity with the wish of all people of conscience in the world not to let genocidal crimes recur in Kampuchea. Only Beijing, Washington and certain Thai authorities have made a fuss about this counteraction in an attempt to distort the justice of the PRK. They claimed that the Kampuchean armed forces have attacked Kampuchean civilians and even crossed the border into Thai territory.

However, such slanderous charges by Beijing, Washington and the Thai authorities have been exposed before the world public. Some American and Western sources confirmed that the hot pursuit by the PRK only took place on Kampuchean territory, following attacks on the hideouts of Pol Pot remnants and other Khmer reactionaries. Visitors to Kampuchea have recognized this fact too. Vietnam and Kampuchean have no policy of attacking civilians and are capable of ensuring this in their military activities. Moreover, during their hot pursuit, the Kampuchean revolutionary armed forces have liberated thousands of Kampuchean civilians from the grip of the Pol Pot clique and helped them to return to normal life.

By slandering Vietnam and Kampuchea, Beijing, Washington and the Thai authorities attempt to force and use the Pol Pot remnants and other Khmer reactionaries as a tool to oppose the revival of the Kampuchean people, to bleed Vietnam and weaken other Indochinese countries. The loudest charges have come from Beijing, because it has been directly using Pol Pot remnants and other Khmer reactionaries to oppose the three Indochinese countries.

Washington has echoed Beijing's charges, of course, for its own aims, namely to seek a pretext for pouring more arms and ammunition into Thailand, setting up new military bases on Thai soil and preparing for a military comeback in this region. And the charges by the Thai authorities are aimed at covering

up their complicity in violating the independence, sovereignty and territorial integrity of Kampuchea. In the past 4 years, they have allowed Pol Pot remnants and other Khmer reactionaries to use part of Thai territory to build field bases. They have let China transport by land and sea arms and food supplies to the latter. Even worse, they have conducted armed provocations, including the firing of toxic chemical shells to cover the latter's infiltration into Kampuchean territory to sabotage the peaceful construction of the Kampuchean people. Particularly, in recent days, they have mobilized aircraft, tanks and artillery units to attack areas along the Kampuchean-Thai border and deep inside Kampuchea.

In so doing, the Thai authorities have rendered the Kampuchean-Thai border situation insecure and unstable. Their actions are contrary to the legitimate aspirations of the Thai people and only serve Beijing's and Washington's moves to sabotage peace and stability in Southeast Asia and the trend toward dialogue between the Indochinese and ASEAN countries.

After many years of war, the PRK, like the SRV, desires nothing but a peaceful and friendly life with all neighboring countries in order to rebuild the country. Vietnam and Kampuchea do not have any interest in provoking their neighboring countries. For this very reason, Kampuchea, Vietnam and Laos have many times reaffirmed their respect for the sovereignty and territorial integrity of Thailand and urged the latter to do likewise.

The three Indochinese countries really want to have an equal dialogue in the spirit of friendship and mutual understanding and would like Thailand to seriously consider and positively respond to the proposals concerning the Kampuchean-Thai border in order to ensure peace and stability there and to ease the tense situation, which is beneficial only to the Beijing expansionists.

CSO: 4200/551

INTERNATIONAL RELATIONS, TRADE AND AID

INDOCHINESE FOREIGN MINISTERS' COMMUNIQUE

BK131200 Hanoi International Service in English 1000 GMT 13 Apr 83

["Full text" of the communique of the 12 April Phnom Penh extraordinary conference of foreign ministers of Kampuchea, Laos and Vietnam]

[Text] The minister of foreign affairs of the PRK Hun Sen, minister of foreign affairs of the LPDR Phoun Sipaseut and the minister of foreign affairs of the Socialist Republic of Vietnam Nguyen Co Thach have had an extraordinary conference held in Phnom Penh on 12 April 1983.

1. The three ministers have been unanimous in the assessment that the successes of the Vientiane summit between Laos, Kampuchea and Vietnam held last February have inaugurated a new step in the relations between the three peoples--relations marked by friendship, militant solidarity and a close cooperation in all fields. Socialist countries, a number of non-aligned and peace-loving countries, as well as world opinion, have highly appreciated the solidarity between Laos, Kampuchea and Vietnam and the foreign policy of peace, friendship and cooperation followed by the three countries; and have considered the Vientiane summit as an important contribution to peace and stability in Southeast Asia and in the world.

2. The conference has highly appreciated the victory of the seventh non-aligned summit, which constitutes an important contribution to peace, national independence and to economic development of the countries of Asia, Africa and Latin America. The three countries of Indochina will share the efforts of India, president of the Nonaligned Movement, and other member countries made toward enhancing the significance of the victory of the seventh summit and carrying out the New Delhi historical appeal, as well as the political and economic resolutions adopted by the conference.

The PRK expresses its profound gratitude to the LPDR and the SRV for their struggle to promote the realization of reasonable resolutions on the question of representation of the PRK within the Nonaligned Movement. The countries of Indochina express their sincere appreciation to the nonaligned countries which, by their strong support, have contributed to the victorious struggle carried out against the imperialists and international reactionary forces which have tried to put back into the Nonaligned Movement the Pol Potist band guilty of genocide under the cover of Sihanouk. The Seventh Summit

Conference of the Nonaligned Countries has brought about a judicious resolution which has been accepted by the groups of nonaligned countries of ASEAN and Indochina, refusing to recognize the Pol Potist band, urging the Southeast Asian countries to negotiate in order to solve their disagreements and putting forward an overall solution for the restoration of peace and security in Southeast Asia. These resolutions (?best) refute the erroneous United Nations resolution which reflects only the interests of one single group of Southeast Asian countries and which has been rejected by the other.

The three countries of Indochina appeal to India, president of the movement, and to other nonaligned countries to contribute with their best to a dialogue between the countries of Southeast Asia and to the realization of the resolution of the seventh summit on Southeast Asia.

The three countries of Indochina request the United Nations and other member countries [as heard] to derecognize Pol Pot, to give up their encouragement to confrontation in Southeast Asia and to contribute to the implementation of the Nonaligned Movement resolution on Southeast Asia.

The three countries of Indochina are pleased that those countries which earlier had voted for Pol Pot in the United Nations have recently approved that the seat of Kampuchea be left vacant at the seventh summit of the nonaligned.

3. The three ministers have examined the proposal made in New Delhi on 8 March 1983 by the minister of foreign affairs of Malaysia during his talks with the minister of foreign affairs of the SRV relating to the opening of dialogue between the countries of ASEAN and two countries of Indochina. They have noted that that proposal is in conformity to the spirit of the seventh summit resolution and that it has met with approval from several ASEAN countries. The conference of the ministers for foreign affairs of the ASEAN countries held on 23 March 1983 in Bangkok has not yet decided on that matter.

The conference of ministers of foreign affairs of the three countries of Indochina strongly condemns China for her frantic, all-out opposition to that proposal. This constitutes an act of gross interference in the affairs of Southeast Asian countries and an act of sabotage of peace and security in this region.

The three ministers have also examined the declaration of the above-mentioned Bangkok conference. They have taken note of the desire for dialogue of the ASEAN countries but they considered that the conditions set down by the latter constitute an obstacle to the dialogue itself.

The countries of Indochina are of the opinion that the sought-after dialogue should include the two groups of Southeast Asian countries, that the agenda should be either opened or settled by mutual agreement on the basis of the resolution of the seventh nonaligned summit, as has been accepted by concerned parties. Differences over the lists of participants and the agenda

could be solved by way of consultation on the basis of equality and mutual respect in the interest of peace and stability in Southeast Asia.

The three ministers have decided to further their efforts in view to promote dialogue between the countries of ASEAN and Indochina. The three countries of Indochina request to the others not to hamper dialogue between the countries of Southeast Asia and welcome any confrontation with [as heard] such a dialogue wherever it comes from.

4. Due to the stability of the situation in Kampuchea and in order to translate it into deed, the declaration of Kampuchea and Vietnam, made during the recent Vientiane summit of February 1983, on the annual withdrawal of Vietnamese voluntary units from Kampuchea, the minister of foreign affairs of Kampuchea and his Vietnamese counterpart have informed the conference of the partial withdrawal of 1983, which will take place next May.

5. The conference has examined the situation at the Kampuchea-Thailand border and has categorically rejected the allegations of the American and Chinese ruling circles, as well as of some regional reactionary circles, pertaining to the so-called offensive against Kampuchean civilians and violation of Thai territory carried out by the Vietnamese army.

The ministers of foreign affairs of the three Indochinese countries strongly condemn Beijing which, in collusion with Washington, is using Thai territory to help the Pol Pot forces and other Khmer reactionary forces to oppose the Kampuchean people. They also strongly condemn the United States of America, which intensifies its aid in armament to Thailand with the aim of regaining its lost position in Southeast Asia.

The conference has affirmed that the Kampuchean people and its [as heard] armed forces, with the help of the Vietnamese volunteers, have the right to punish all saboteurs of the rebirth of the Kampucheans, whether it be the Pol Potist remnant army or other counterrevolutionary forces. The three countries of Indochina, while demanding that the Thai authorities put an end to their interference in the internal affairs of Kampuchea and to their gross violation of the territorial integrity and sovereignty of the PRK, insist in reaffirming their constant policy of respect for the independence, sovereignty and territorial integrity of the Kingdom of Thailand.

The three countries of Indochina are of the opinion that it is urgent to put an end to the military actions at the Kampuchea-Thailand border, to find a solution to the problem of the Kampuchean victims, and to restore peace and security in this border region. They reiterate the proposal put forward by the conference of the ministers of foreign affairs of Laos, Kampuchea and Vietnam held in Ho Chi Minh City on 7 July 1982 in favor of the establishment of a security zone along the border between Kampuchea and Thailand, and appeal to Thailand to respond positively so as to ensure security and stability of that border region.

The minister of foreign affairs of the PRK once again proposes that the Red Cross of the PRK and its counterpart of the Kingdom of Thailand undertake negotiations on the repatriation of Kampuchean victims forced to (emigrate) in Thailand. The three countries of Indochina are ready to examine any proposal in order to restore peace and security at the border region between Kampuchea and Thailand, as well as all forms of international guarantee equally acceptable by all parties.

The PRK welcomes all efforts of every country or international organization which, having friendly relations with the PRK and Thailand, would help both of them to restore peace and stability at their border.

CSO: 4200/551

INTERNATIONAL RELATIONS, TRADE AND AID

PRK'S CHAN SI, CHAN CHHIN RECEIVE SRV DELEGATION

OW072016 Hanoi VNA in English 1542 GMT 7 Apr 83

[Text] Hanoi, VNA, April 7--Chan Si, chairman of the Council of Ministers of Kampuchea, has cordially received in Phnom Penh a Vietnamese economic delegation led by Dang Thi, member of the Communist Party of Vietnam Central Committee and chairman of the Commission for Economic and Cultural Cooperation with Kampuchea and Laos, now on a friendship visit to Kampuchea.

Chairman Chan Si, who also is a Political Bureau member of the Central Committee of the Kampuchean People's Revolutionary Party, and Dang Thi discussed measures to enhance the comprehensive cooperation between the two countries, especially in the economic field, in accordance with the statement of the summit conference of the three Indochinese countries held in Vientiane last year.

Chairman Chan Si said he was certain that the visit would help strengthen economic cooperation between the two countries which, he said, is an important factor for the success of national construction and defence in each country.

Dang Thi assured the Kampuchean leader of Vietnam's continued efforts to promote the militant solidarity and all-round cooperation between the three fraternal Indochinese countries on the basis of socialist internationalism in the interests of peace and stability in Southeast Asia and the world as a whole.

Earlier, on April 1, the Vietnamese delegation held talks with an economic delegation of the Kampuchean Government led by Chan Chhin, secretary of the K.P.R.P. Central Committee and minister of finance.

The two sides informed each other of the results obtained in implementing the Vietnam-Kampuchea agreement on economic and cultural cooperation. They discussed a programme for cooperation in 1983 based on the spirit of the statement of the Vientiane summit.

Dang Thi and his party were honored at a reception given in Phnom Penh on March 31 by Chan Chhin.

CSO: 4200/551

INTERNATIONAL RELATIONS, TRADE AND AID

VO NGUYEN GIAP RECEIVES FOREIGN DELEGATES

OW082146 Hanoi VNA in English 1558 GMT 8 Apr 83

[Text] Hanoi, VNA, April 8--Vo Nguyen Giap, member of the Central Committee of the Communist Party of Vietnam and vice-chairman of the Council of Ministers, received here today foreign delegates to the international seminar on mechanics currently held in Hanoi.

The (?guests) included the Soviet delegation led by A. A. (?Bogoevlans'ki), doctor of physical mathematics, the Polish delegation led by Prof. Dr. Jan Rychlewski, the Hungarian delegation led by Prof. Dr. (?Geza Petrasovitski), the Bulgarian delegation led by Prof. Dr. A. Anchev, the G.D.R. delegation led by Prof. Dr. M. Hoffmeister; and the Czechoslovak delegation led by I. Nhmets.

Vice-chairman Vo Nguyen Giap warmly welcomed the guest delegations to the seminar, saying that their participation is a fine contribution to the cooperation and assistance between Vietnam and fraternal socialist countries.

He stressed that the reports at the seminar would be very helpful to the Vietnamese mechanics service in its endeavours to apply the achievements of modern mechanics to national construction and defence work.

CSO: 4200/551

INTERNATIONAL RELATIONS, TRADE AND AID

VIETNAM-SOVIET SOCIALIST LABOR EMULATION EXPANDS

OW080845 Hanoi VNA in English 0705 GMT 8 Apr 83

[Text] Hanoi, VNA, April 8--The "International Socialist Labour Emulation" Movement between Vietnamese and Soviet workers and specialists has grown in scope and assumed more and more diversified forms.

It all started with the emulation between the Hanoi machine tools factory No. 1 and the "Krasnyy proletariy" engineering plant in Moscow followed by many friendship emulation campaigns between factories, ports, ships, agricultural cooperatives or farms, hospitals, schools and scientific institutes of the two countries.

In recent years, in furtherance of the treaty of friendship and cooperation, the movement has spread to almost all Vietnamese production establishments where Soviet experts are working.

The most common forms are the signing of emulation contracts in honour of the major political events in both countries and the holding of communist labour days at factories and construction sites.

The movement has helped accelerate the construction of many projects such as the Hoa Sen ground satellite communication station, the first phase of the construction of the Bim Son cement plant with an annual capacity of 600,000 tonnes of cement, the hydro-electric project on Da River, the Mong Duong coal mine, etc.

Five hundred Soviet experts and 30,000 Vietnamese workers are working side by side to build up the Da River dam in anticipation of the coming rainy season.

Vietnamese and Soviet workers are also joining efforts in putting the turbine group No. 1 into operation at the Pha Lai thermo-electric plant and in connecting the two ends of the Thang Long Bridge by early next year.

The joint Vietnam-U.S.S.R. Oil Prospection and Drilling Enterprise is busy expanding the Vung Tau service port and assembling the 1st and 2nd oil rigs.

In transport, the Vietnamese-Soviet emulation has also brought about satisfactory results in the transportation of materials and equipment.

Many Soviet and Vietnamese teams of engineering workers, tractor drivers, telegraphy operators, tourist bus drivers and employees of the service industries have paid mutual visits to exchange experiences or take part in contests of skilled workers among socialist countries.

In the emulation drives in honour of the 65th anniversary of the Russian October Revolution and the 60th anniversary of the Union of Soviet Socialist Republics, chairman of the Council of Ministers Pham Van Dong presented certificates of merit to 62 Soviet experts, and the Vietnam Federation of Trade Unions presented merit banners to 24 outstanding teams of Soviet experts.

The All-Union Central Council of Trade Unions of the U.S.S.R. has awarded the "Vanguard in the 11th Five-Year Plan" insignia to 60 Vietnamese cadres and workers and the "Victor" insignia to 125 Vietnamese cadres and workers at establishments making export goods.

CSO: 4200/551

INTERNATIONAL RELATIONS, TRADE AND AID

NGUYEN HUU THO DECORATES INDIAN WOMEN'S OFFICIAL

OW160115 Hanoi VNA in English 1532 GMT 15 Apr 83

[Text] Hanoi, VNA, April 15--Mrs. Arun Asaf Ali, president of the National Federation of Indian Women and vice-president of the Women's International Democratic Federation, received here today the Friendship Order from Nguyen Huu Tho, chairman of the National Assembly and vice-president of the Council of State.

Mrs. Arun Asaf Ali, now on a visit to Vietnam, had actively supported the Vietnamese people's wars of resistance to the French colonialists and the U.S. imperialists. She has continued to support Vietnam at all forums at home and in the world. She has been making positive contributions to promoting solidarity between India and Vietnam.

Receiving this high decoration from the government of the Socialist Republic of Vietnam, Mrs. Arun Asaf Ali thanked the Vietnamese government and people for highly valuing her activities and expressed her respect for the late president Ho Chi Minh and her warm feelings towards Vietnamese women and children.

Among those present on this occasion were Mrs. Nguyen Thi Dinh, president of the Vietnam Women's Union, representatives of the Foreign Ministry, the Vietnam-India Friendship Association, and Indian ambassador to Vietnam Kuldip Shadap.

On this occasion, the executive committee of the Vietnam Women's Union conferred the "For Women's Liberation" medal on Mrs. Arun Asaf Ali.

CSO: 4200/551

INTERNATIONAL RELATIONS, TRADE AND AID

AMITY GROUPS CONDEMN ISRAELI 'POISON' INCIDENT

OW080145 Hanoi VNA in English 1532 GMT 7 Apr 83

[Text] Hanoi, VNA, April 7--Vietnam today condemned Israel for recently using poison to repress Arab students in some cities on the Western bank of the Jordan River and other places.

The condemnation was expressed in a joint statement by Vietnam's Committee for Solidarity and Friendship with Other Peoples, the Committee for Afro-Asian Peoples' Solidarity, and the Committee for Solidarity and Friendship with the Palestinian people.

It said:

"The Vietnamese people demand that the Israeli authorities:

"Stop immediately the above-mentioned criminal actions and bear responsibility for all consequences of their crimes;

"Respect the basic national rights of the Palestinian people, including the right to self-determination, the right to return to their fatherland and the right to establish an independent state;

"Return immediately and without conditions to the Palestinian people the areas illegally occupied by Israel since 1976."

The statement denounced the United States' complicity in these actions. It reiterated the Vietnamese people's support for the just struggle of the Palestinian people and the peoples of other Arab countries to wrest back and defend their national independence.

CSO: 4200/551

INTERNATIONAL RELATIONS, TRADE AND AID

BRIEFS

VCP DELEGATION IN BERLIN--Hanoi, VNA, 8 Apr--Horst Dohlus, Political Bureau member and secretary of the Socialist Unity Party of Germany Central Committee, received in Berlin yesterday Nguyen Duc Tam, Political Bureau member and secretary of the Communist Party of Vietnam Central Committee. Speaking to Nguyen Duc Tam, who is also head of a Vietnamese party delegation to an international conference on Karl Marx to be held soon in the capital of the GDR, Horst Dohlus reaffirmed his party and country's consistent support and assistance to the Vietnamese revolution. Nguyen Duc Tam informed the host of the achievements of the Vietnamese people in their national construction and defence. The two party leaders also expressed confidence that the friendship, solidarity and all-sided cooperation between the two parties and nations would consolidate and develop constantly. On the same day, Nguyen Vinh, director of the Institute of Marxism-Leninism of the VCP Central Committee, had working sessions with G. Heyden, director of the Institute of Marxism-Leninism of the S.U.P.G. Central Committee. [Text] [OW080811 Hanoi VNA in English 0714 GMT 8 Apr 83]

CUBA'S OUTGOING SRV ENVOY--Hanoi, VNA, 8 Apr--Cuba will do its best to consolidate and develop its fraternal friendship with Vietnam, declared Juan Almedia, Political Bureau member of the Central Committee of the Communist Party of Cuba and vice-president of the Cuban Council of State. Speaking to the outgoing Vietnamese ambassador, Nguyen Huu Ngo, in Havana recently, Vice-President Juan Almedia said: "The people of developing countries are forever grateful to Vietnam for its victory over U.S. imperialism through a heroic struggle full of difficulties and sacrifices. This struggle has helped to check the hand of imperialism in its intervention and aggression against other nations. The Vietnamese people have made a great contribution to mankind and to the national liberation movements." He pointed out: "The relations between our two countries are relations between two fraternal countries bound by the common ideal of socialism and based on complete mutual respect. We will do our best to consolidate and promote these relations." [Text] [OW082147 Hanoi VNA in English 1605 GMT 8 Apr 83]

LAO STUDENTS AT VIETNAMESE UNIVERSITIES--Hanoi, VNA, 10 Apr--Five hundred and seventy Lao students have graduated from Vietnamese universities, colleges and vocational schools over the past seven years. This was made known in a report delivered by Vietnamese vice-minister of secondary

vocational and higher education Hoang Xuan Tuy at a conference held here on April 8-9 to review the work of training Lao students over the past seven years. The report said that 1,189 Lao students, are attending 23 universities and colleges, and 15 vocational schools. Addressing the conference, Lao ambassador to Vietnam Khampheun Tounalom thanked the Vietnamese party, government, branches of activity, schools and localities for their great assistance in training Lao students, considering it as an active contribution to the Lao people's national construction. He said that Laos and Vietnam have the same ideal and that the friendship, special solidarity and all-sided cooperation between the two countries are constantly developing. [Text] [OW101025 Hanoi VNA in English 0720 GMT 10 Apr 83]

SRV PUPPET TROUPE IN MPR--Hanoi, VNA, 13 Apr--The visiting Hanoi puppetry troupe gave its premier in Ulaanbaatar on April 7, staging "Tam Cam", a kind of Vietnamese Cinderella. Among the audience were Gelegiyn Adyaa, secretary of the Central Committee of the Mongolian People's Revolutionary Party, Dondogiyn Tsebegnid, deputy-chairman of the Council of Ministers and minister of culture, and other high officials. Vietnamese Ambassador Cao Kien Thiet was also present on this occasion. [Text] [OW140123 Hanoi VNA in English 1611 GMT 13 Apr 83]

INDIRA GANDHI'S MESSAGE--Hanoi, VNA, 16 Apr--Indian Prime Minister Indira Gandhi has sent the following message to the women of Vietnam: "Women have fought and suffered with courage and fortitude along with their menfolk in their long struggle for independence, and to again ward off an onslaught on their liberty. Now they are on the long road to development. Our two countries are vastly different in size but we are both engaged in the challenging task of overcoming technological backwardness and raising the living conditions of our peoples. The endeavour can succeed only in conditions within countries. I am heartened by the notable part which women are playing in Vietnam and in India in political and economic activity. I send my greetings and good wishes to the women of Vietnam." [Text] [OW161637 Hanoi VNA in English 1539 GMT 16 Apr 83]

ANTI-ISRAEL FILM SHOWN--Hanoi, VNA, 19 Apr--Sa'id Khalil al-Masri, acting head of the office of the Palestine Liberation Organization in Hanoi, screened a documentary film here Monday night on the crimes committed by the Israeli aggressors against the Palestinian and Lebanese populations in West Beirut. Present on this occasion were the Hanoi-based P.L.O. representative in Southeast Asia, 'Ali Fayad, Vietnamese Deputy Foreign Minister Vo Dong Giang, the president of the Vietnam Committee for Solidarity and Friendship with the Palestinian People, Pham Khac Quang, and representatives of public offices and mass organizations in Hanoi. Members of the diplomatic corps were present. [Text] [OW191753 Hanoi VNA in English 1511 GMT 19 Apr 83]

CSO: 4200/551

PARTY ACTIVITIES AND GOVERNMENT

PHAM HUNG TOURS OFFSHORE ISLAND NEAR PRC

BK101609 Hanoi Domestic Service in Vietnamese 0400 GMT 10 Apr 83

[Text] During his recent working visit to the Quang Ninh Provincial Party Committee, Comrade Pham Hung, member of the party Central Committee Political Bureau, vice chairman of the Council of Ministers and minister of interior, and Comrade Pham Hoanh, chairman of the Quang Ninh Provincial People's Committee, toured Minh Chau Village, which is located on an offshore island of Cam Pha District.

The comrade members of the party and people's committees and various sectors and mass organizations and the people of Minh Chau Village were extremely happy to welcome Comrade Pham Hung and his party. The comrade secretary of the village party committee and chairman of the village people's committee reported on the tradition of revolutionary struggle and the achievements already recorded by the party organization and people of Minh Chau Village in building and defending the island.

Under the leadership of Minh Chau Village's party organization, the local people actively participated in the resistances against the French colonialists, the U.S. aggressors and the Chinese expansionists and hegemonists who started a war on the northern border of our country. Especially, no resident of the island has ever served as a soldier or worked for any puppet army and administration. The entire village has now become a fishing cooperative with a completely mechanized fleet of trawlers. Simultaneously, the village is engaged in agricultural production and sideline trades. Relying on the people, the local party organization and administration have made efforts to fully exploit the sea and farmland while developing sideline trades, thereby providing employment for all people.

Addressing the village's leading cadres, Comrade Pham Hung expressed his happiness of having the opportunity to visit the local party organization and people. He said: With its common border with China, and with its coastal region and many of its offshore islands close to the Chinese border, Quang Ninh is a frontline province in the northeastern part of the country. Minh Chau itself is one of the island villages located on the frontline of Quang Ninh Province. In face of a very difficult situation caused by its great distance from the mainland, the Minh Chau party organization, loyal to the

party's cause and firmly confident in the party Central Committee and the provincial party committee, has led the local people in developing their revolutionary tradition, heightening their self-reliance, struggling against nature, stepping up production, gradually stabilizing their living conditions, building a new socialist life, resolutely fighting against all enemies to defend the revolutionary gains and the peaceful and happy life of the island, and making outstanding contributions to the province in the maintenance of political security and public order on the sea. These achievements of Minh Chau Village's party organization and people are really commendable and respectable, achievements in which we can legitimately take pride.

Comrade Pham Hung solicitously recommended that the party organization and people of Minh Chau Village remain extremely alert, resolutely smash any sabotage attempt by the Chinese expansionists and hegemonists, consolidate people's security teams, achieve close coordination among the public security service, the militia and self-defense forces and the youth union, carry out topographical study and deploy adequate forces to protect production and the life of the people on the island. He wished the party organization, administration, sectors, mass organizations and people of Minh Chau Village many new and greater achievements in the 1983-85 period, thereby actively contributing to successfully implementing the resolution of the seventh Quang Ninh provincial party organization congress.

The comrade secretary of the village party committee expressed his happiness of having the opportunity to welcome Comrades Pham Hung and Pham Hoanh to the island. On behalf of the local party organization, administration and people, he promised to seriously implement Comrade Pham Hung's recommendations as precious direct instructions of the party Central Committee and government for the party organization and people of Minh Chau Village. He respectfully wished the party Central Committee and government the best of health to lead the entire party and people in successfully building socialism and firmly defending the socialist Vietnamese fatherland.

CSO: 4209/337

PARTY ACTIVITIES AND GOVERNMENT

PHAM HUNG COUNSELS LAM DONG SECURITY FORCES

BK091410 Hanoi NHAN DAN in Vietnamese 7 Mar 83 pp 1, 4

[Text] Comrade Pham Hung, member of the VCP Central Committee Political Bureau, vice chairman of the Council of Ministers and minister of interior recently visited and worked with Lam Dong Province.

Comrade Pham Hung listened to reports by leading officers of the provincial public security force on the situation of the political security and social order and results in implementing resolutions of the party Central Committee, the province's party committee and the Ministry of Interior over the past year. Under the provincial party committee leadership, officers and personnel of the Lam Dong public security force have made great efforts in overcoming difficulties, strengthening the infrastructure and getting in touch with the people of various nationalities to create a mass movement to defend the fatherland and closely coordinate with the armed forces to effectively deal with the Fulro problem, thereby contributing positively to scoring achievements for the province.

Dealing with the province's immediate tasks, Pham Hung urged the public security force to strive to firmly grasp and formulate plan to implement the resolutions of the third VCP Central Committee plenum, the VCP Central Committee Political Bureau, the Council of Ministers and resolution of the 38th national conference of the public security force. He also urged the province to continue to study and implement, in its daily tasks, the six teachings of esteemed President Ho Chi Minh to build a pure and firm public security force--a reliable tool of the party, a sharp instrument of the dictatorship of the proletariat and a beloved force of the people. The public security force must, together with the entire party and the people and the armed forces in the province, strengthen their solidarity to resolutely foil the multifaceted war of sabotage of the Chinese leadership in collusion with the U.S. imperialists and other international reactionary forces.

Comrade Pham Hung also visited the Ministry of Interior's mobile unit in Lam Dong Province. He praised the province's cadres and personnel for their efforts in restraining hardship, steadily holding fast the infrastructure and getting in touch with people of various nationalities and mass organizations, uniting and closely coordinating with the people's army to score

many achievements. Some officers have been awarded the armed forces hero title by the National Assembly.

During his stay in Lam Dong, Comrade Pham Hung visited the province's party and people's committees and contributed ideas for various tasks.

CSO: 4209/337

PARTY ACTIVITIES AND GOVERNMENT

HA TUYEN HOLDS THIRD PARTY ORGANIZATION CONGRESS

OW181329 Hanoi Domestic Service in Vietnamese 1100 GMT 11 Apr 83

[Article by Huu Tho and Pham Hien in "recent" NHAN DAN issue: "Tasks Set for a Border Province"]

[Summary] Ha Tuyen, a border province, has held its third provincial party organization congress. Since its second congress, Ha Tuyen has made much progress in food production and has, step-by-step, stabilized small industry, handicraft, forestry and agricultural production. The mountain districts, which previously relied on government grain subsidies--amounting to 490 tons in some years--have been able to stabilize the local people's livelihood.

"In 1982, Ha Tuyen's grain production met the target set at the second party organization congress: 230,000 tons, the highest output ever, which is more than 47,000 tons higher than 1981 and 32,000 tons higher than 1978, a year with a record, bumper crop."

Stockbreeding continues to develop, with the hog population showing an increase of 2 percent over 1981, the buffalo population 3.4 percent and the cattle population 7.1 percent. The cultivated area has been further expanded, thanks to sedentary farming and settlement and the creation of new economic zones. The local armed forces, besides discharging their tasks of remaining combat ready and protecting the people and production, have also engaged in production, thus contributing to improving the living conditions of the combatants.

An important task of the provincial party organization and people for the coming years is to endeavor to build up the groundwork for a people's war, to resolutely thwart the enemy's multifaceted sabotage war, and to be ready to fight and defeat the enemy under any circumstances.

"The congress stressed: It is necessary to regularly provide education in the revolutionary offensive among cadres, party members, the armed forces and the nationality people in the province; accelerate the buildup of combat hamlets and villages, and of districts into military fortresses; vigorously and extensively launch the national security movement; consolidate the blood-sealed relationship between the army and the people; intensify measures for

economic protection; and coordinate the struggle against the enemy's economic sabotage and psychological warfare and against negativism and social vices."

"The congress decided on the guidelines for economic and social tasks to ensure that, under any circumstances, Ha Tuyen will be able to promote economic development to provide adequate rear service support in case of local fighting and contribute to the national economic development." Nationwide, agriculture is the forefront, but in Ha Tuyen, both agriculture and forestry are the forefront. The province is striving to produce 245,000 tons of grain in 1983 and 270,000 tons in 1985.

The congress also discussed the issue of partly resolving the clothing problem facing the local people.

Forestry is one of Ha Tuyen's advantages. It was stressed at the congress that great attention must be paid to forest protection and management and that efforts must be made to cultivate an additional 16,000 hectares of forest yearly.

The Ha Tuyen provincial party organization congress set forth the guidelines and measures for building up the party and enhancing its militancy, for building up close party-people solidarity, for strengthening national unity and army-people solidarity, in order to develop the integrated strength and carry out the two strategic tasks successfully.

CSO: 4209/337

PARTY ACTIVITIES AND GOVERNMENT

CENTRAL PROVINCES DISCUSS EMULATION CONTRACTS

BK171139 Hanoi Domestic Service in Vietnamese 1430 GMT 16 Apr 83

[Text] Representatives of the provincial people's committees, planning committees, statistics branch offices and emulation committees of the seven coastal provinces in central Vietnam--Thanh Hoa, Nghe Tinh, Binh Tri Thien, Quang Nam-Danang, Nghia Binh, Phu Khanh and Thuan Hai--held a conference in Danang on 15 April to review the implementation of emulation contracts for 1982 and to sign emulation contracts for 1983. Comrade Le Quang Tuan, deputy director of the VCP Central Committee Emulation Department, presided over the conference.

The conferees unanimously appreciated the outstanding and fairly even achievements recorded in 1982 by the seven provinces in central Vietnam in many fields, notably in the economic field. Last year, in agriculture, all the seven provinces launched a vigorous intensive cultivation movement to increase crop yields, applied new techniques and used new varieties, thereby achieving a fairly high grain output compared with previous years. They also made efforts to exploit the potentials of their sea areas and managed to fulfill or overfulfill the norms for maritime product output.

The representatives of the seven provincial people's committees signed emulation contracts for 1983. Under these contracts, they will pay attention to both rice and subsidiary food crops; develop hog and cattle raising; promote the afforestation movement; build models of combined agricultural-forestry units in hilly and sandy coastal areas; overfulfill the targets for maritime product catching and aquatic product farming; vigorously develop local industry, small industry and handicrafts; continue to transform production relations in agriculture, fishery and trade; establish a new order in distribution and circulation; enhance the building of the district level, and so forth. All this is aimed at implementing the resolutions of the fifth party congress and the party Central Committee's third plenum and comprehensively and successfully fulfilling the 1983 plan.

CSO: 4209/337

PARTY ACTIVITIES AND GOVERNMENT

BRIEFS

SECOND NATIONAL VFF CONGRESS--On 8 April the preparatory committee for the Second National VFF Congress met to review the preparatory work for and accelerate the convening of the congress. Comrade Hoang Quoc Viet, chairman of the Presidium of the VFF Central Committee and head of the preparatory committee, presided over the conference. The conference warmly hailed the VFF committees at various echelons, VFF member organizations and compatriots of various strata at home and abroad for their intensive participation in the congress' preparatory work and for contributing many views to the congress preparatory committee. The conference decided to hold the Second National VFF Congress from 12 through 14 May 1983 in Hanoi, the capital. The preparatory committee warmly welcomes the continued contribution of suggestions for the VFF congress' preparations from the front committees at various echelons, front member organizations and compatriots of various strata. [Text]
[OW090623 Hanoi Domestic Service in Vietnamese 1100 GMT 8 Apr 83]

CSO: 4209/337

ECONOMIC PLANNING, TRADE AND FINANCE

PROGRESS IN FOOD PROCUREMENT NATIONWIDE REPORTED

BK101309 Hanoi Domestic Service in Vietnamese 0400 GMT 10 Apr 83

[Text] In the north, Thai Binh and Ha Bac provinces have satisfactorily fulfilled the plans for buying, selling and delivering products. Hai Hung has surged forward to lead the entire country in purchasing 12,664 metric tons of meat hogs, plenty enough for distribution to cadres and workers in the province and for delivery to the central government. Next comes Ha Nam Ninh with a total purchase of 12,358 metric tons of meat hogs. Son La has made marked progress in exploiting local sources of goods. Cao Bang has won second place nationally in purchasing soybean.

In the central region, Thanh Hoa has begun to vigorously embark on exploiting local sources of goods. Nghia Binh has satisfactorily carried out its plan for purchasing and delivering sugar and beans. The central highlands provinces, with Dac Lac topping the entire country in procuring and delivering mung bean, have made intensive efforts to purchase other agricultural products and foodstuffs.

In eastern Nam Bo, Dong Nai is leading the entire country in purchasing and delivering soybean. In the Mekong delta, Hau Gdiang has paid attention to exploiting the local sources of goods; satisfactorily delivered sugar, beans and pork to the state; strengthened state-run trade; consolidated marketing cooperatives; effectively used and controlled private trade; and on the whole, satisfactorily controlled the market as concerns meat, fish, vegetables, fruits, sugar and fuel. Tien Giang, An Giang, Cuu Long and Long An have all made some progress in collection and purchase activities.

These are good experiences which all localities are striving to bring into play in 1983.

CSO: 4209/337

ECONOMIC PLANNING, TRADE AND FINANCE

'NHAN DAN' EDITORIAL DISCUSSES SOCIALIST TRADE

BK080244 Hanoi Domestic Service in Vietnamese 2300 GMT 6 Apr 83

[NHAN DAN 7 April editorial: "Place All Sources of Goods Under the Control of Socialist Trade"]

[Text] Socialist trade has the duty to meet society's demand for consumption ever more satisfactorily. The targets for distribution to cadres, workers, state employees and soldiers in support of the people's life and of the struggle to control the market and restore order on the distribution and circulation front can only be achieved if goods from different sources are placed under state control for distribution in an organized manner according to plan. Many trade units have taken a step forward in consolidating their organization and improving business methods, thus creating a dynamic force in their collection and purchase activities for the purpose of controlling the sources of goods. Many provinces and districts have not only concerned themselves with satisfying local demand but have also actively contributed to the central government for distribution nationwide.

Despite some progress, the socialist trade sector's control over the sources of goods still does not match the results of production. Many essential commodities are only collected or purchased in small quantities. As for foodstuffs, only about 50 percent of meat hogs are procured in the north and a little more than 30 percent in the south. Concerning agricultural products, the amount of soybeans purchased in 1982 doubled the amount of 1980 but only 14.6 percent of beans of various types were procured in both parts of the country. The state-run trade sector can only control 20 percent of the handicraft products made from self-supplied raw material, and an estimated 30 percent of the products turned out by state-run enterprises are still being freely circulated without state control and management.

In the present situation, we can place more goods under the control of the socialist state if the various state economic organizations coordinate with one another closely and harmoniously in their work and scrupulously carry out the decisions of the party Central Committee and the Council of Ministers on the collection, purchase and delivery of products. Nevertheless, many localities have failed to fully understand the struggle between the two roads of socialism and capitalism and have not yet resolutely adopted a

major method for expanding the position of socialist trade--that of controlling the sources of goods--and consequently, they still allow private traders to compete with state-run trade organizations in buying goods that fall under the state's unified management or to operate in areas reserved exclusively for state economic organizations. Although many products that meet society's essential demands are not in short supply, they are not sufficiently supplied to cadres, workers, state employees and the people--and their prices have gone up. Moreover, there has also arisen a situation where some types of essential consumer goods are excessively plentiful in one place while extremely scarce in another.

The decisive problem lies in regulation and distribution. To tackle this, all socialist production units must fully deliver their products to the state in accordance with the obligation quotas and the plan, and socialist trade must develop its collection and purchase activities vigorously in order to actively control the sources of goods. Socialist trade must be present wherever goods are produced. Under the socialist system, the results achieved in the procurement of agricultural products, foodstuffs and consumer goods depend to a great extent on the relations between the working class and the peasantry--both of whom are jointly assuming mastery--and on the relations between trade and industry, including handicrafts.

This is the combination between one side--the state organs--constantly striving to create favorable conditions for production, and the other side--the peasants, workers and other strata of laboring people--who have the duty to contribute their products to the state for just and rational distribution to society. Socialist trade must develop the party and state viewpoints and policies by further consolidating those relations in order to attain ever-better specific results in the procurement of goods.

In north and central Vietnam, agricultural, forestry and marine products are chiefly collected and purchased at fixed quotas under the obligatory procurement policy and at directed prices through two-way economic contracts.

In the south, along with stepping up socialist transformation in agriculture, industry and trade, it is necessary to quickly make purchase and collection activities under two-way contracts the major form of procurement. Attention must be paid to increasing the stock of goods reserved for collection and purchase by exploiting all locally available sources of goods, especially construction materials and domestic appliances. It is necessary to have a contingent of socialist trade cadres and workers who, with good qualities and ethics, are skilled in their professions and capable of correctly implementing policies on distribution and circulation; who do not commit theft or smuggle goods outside; who do not make under-the-counter dealings and cannot be bribed into collecting and purchasing poor-quality goods; and who never misappropriate state-owned supplies and raw materials.

We must expand the socialist trade network down to hamlets and villages without just waiting in the district towns and cities to conduct collection and purchase activities with the use of inconvenient and bureaucratic procedures.

As an effective supporter of the state-owned trade sector, marketing cooperatives must concentrate on exploiting all sources of goods from the family-sideline economic sector and from various handicraft branches and trades in agriculture; accept and collect and purchase local goods for the state-run trade sector as assigned by the localities; and avoid engaging in business transactions involving long distance travel for profits.

In cities, in order to maintain the relations between trade and industry or handicrafts, we must rely on the basis of upholding discipline with regard to the delivery of products and must not smuggle goods out to illegal merchants on the free market. We must place all sources of goods from state-run, or collectively and privately-owned production establishments under the control of the socialist trade sector; and must grasp all by-products from factories, all items of goods from those cooperatives which support themselves with raw materials and all products from small-size establishments in cities.

The potentials of artisan and handicraft production are still great. Trade organs can invest in the expansion of collectively-run production establishments in the search for sources of supplies and raw materials in order to increase those goods currently in great demand on the market.

Each locality and each trade unit must take into account demand in its own area and in the entire country when formulating plans to actively stimulate production, seek new potentials and advanced technology, conduct collection and purchase activities in accordance with the socialist system, and overcome the situation in which the sources of goods are secured by running after the market structure and engaging in competitive buying and selling while giving dishonest merchants a free hand to browbeat producers and to increase prices through speculation.

The concentration of the bulk of society's goods under state control must be linked with efforts to constantly increase the material force for the socialist trade sector.

CSO: 4209/337

ECONOMIC PLANNING, TRADE AND FINANCE

ARTICLE ON COLLECTIVE, FAMILY ECONOMIES

BK101158 Hanoi NHAN DAN in Vietnamese 7 Mar 83 p 2

[Second and last part of Nguyen Huy article: "To Discuss the Correct Settlement of the Relationship Between Collective and Family Economies"]

[Text] We should know thoroughly the nature of cooperative members' family economy. As stated above, from the economic standpoint, it is a supplemental component of cooperatives' economy. From the social standpoint--as Comrade Pham Van Dong said--it is part and parcel of the socialist economic element in agriculture. From the theoretical and practical viewpoints, it is of great significance to fully understand the nature of the family economy as mentioned above. Theoretically, such knowledge is consistent with V.I. Lenin's doctrine on economic elements during the transitional period. According to this doctrine, there are many economic elements or forms during the transitional period and each economic element or form corresponds to one or two classes in society. In other words, each economic element or form is represented by one or two definite classes.

Also, according to Lenin's doctrine, we must carry out the socialist transformation of all nonsocialist economic elements. Consequently, from the practical standpoint, if the family economy is a nonsocialist economic element, it must be an objective to be transformed and not developed. In reality, a purely socialist agriculture or in the socialist domain of agriculture, there cannot be many economic elements. There can be here only one socialist economic element involving two areas: The state-run economy, represented by the working class, and the cooperative-run economy, represented by the collective peasantry. Each of these areas has two components: The state-owned economy and the family economy of workers and civil servants; and the collective economy and the economy of cooperative members' families. To be more precise, in a purely socialist agriculture or in the socialist domain of agriculture, there is only one economic element involving two areas and consisting four components. More concisely, there is only one element with three socialist economic components: state, collective and family (of peasants, workers and civil servants).

In reality, even when the socialist transformation of agriculture has been completed and socialism has absolutely ruled agriculture, there will be some

peasant households working independently. Consequently, after meticulous consideration, agriculture still consists of two economic elements: the socialist economic element, with the above-mentioned three components, and the economic element of individual peasants. This latter element, until a certain time, will exist merely as a remnant of the economic system of small farmers.

There may be people who think that the product contracts with workers in agriculture have restored the role of the peasant family as a primary economic unit of society. By the same token, they have turned production by the collective economic element into family production. This does not matter much, since product contracts with individual workers does not change the system of public ownership over land, ricefields and other important production means of the collective economic element. The agricultural cooperatives always remain the primary economic units of socialist agriculture. As a matter of fact, product contracts with individual workers merely constitute a form of labor organization and remuneration by cooperatives to effectively implement the plan for developing the collective economic element of cooperatives. Evidently, the production activities of cooperative members can be considered the family's economic operation if the cooperative members' families invest additional amounts of capital, materials and manpower in working on the contracted pieces of land so as to get the products turned out beyond the contract norms. This may be considered a special form of land loan to develop the cooperative members' family economy. Nevertheless, the purpose of this special land loan can be achieved only on the basis of increasing the production results over the contracted norms. This means that the economic operation results of these families can be achieved only on the basis of overfulfilling the plan for developing the collective economy (materialized by contract norms). As a result, the primary role of product contracts with individual workers is to stimulate coctives and then promote and accelerate the development of the cooperative members' family economy. This is fundamental evidence that the product contracts with individual workers cannot turn the collective economy element (as well as the state-run economy element) of socialist agriculture into family production. This also demonstrates that the correct implementation of product contracts with individual workers is primarily an effective measure to develop the collective economy element of cooperatives and, then, to promote the development of cooperative members' family economy according to the plans and programs of cooperatives. This gives us peace of mind to expand the form of product contracts with individual workers to forestry, as specified in the resolution of the party (fifth tenure) Central Committee's third plenum. This contractual form will certainly play the positive role of protecting forests, covering bare hills with greenery and restoring the forest assets of our country in the economic development of three-fourths of the hilly and mountainous area of our country (in the hilly and mountainous area, the area of land and ricefields reserved for the development of family economy may be higher than 5 percent.)

The development of two socialist economic areas in agriculture covers the scope of developing both elements in each area: the element of collective

economy and family economy of cooperative members in the field of cooperatives' economy, and the element of state-run economy and family economy of workers and civil servants in the state domain. In other words, this is the vigorous development of three components of the socialist economic element of agriculture, enabling our agriculture to fulfill its strategic mission in the initial stage of the socialist industrialization process.

CSO: 4209/337

ECONOMIC PLANNING, TRADE AND FINANCE

BRIEFS

THAI BINH EXPORT REVENUE--Thai Binh Province has been awarded rotating emulation banners by the Council of Ministers for its export achievements for 4 consecutive years--1979-82. The province has reserved nearly 10,000 hectares of croplands for export production. There are 300 cooperatives with 700 workers in the province specialized in manufacturing goods for export. Last year the province's export revenue stood at 247 million dong, an increase of 70 percent over 1981. Its main exports included jute rugs, embroidered and laced articles and dehydrated hard peppers. The province plans to increase its export revenue to 352 million dong in 1983. [BK121703 Hanoi Domestic Service in Vietnamese 0400 GMT 11 Apr 83 BK]

CSO: 4209/337

AGRICULTURE

HA NAM NINH HOLDS CONFERENCE ON LAND USE

BK140641 Hanoi Domestic Service in Vietnamese 0400 GMT 13 Apr 83

[Text] A conference was held by Ha Nam Ninh Province recently to review work related to the inspection of the use of land in 1982 and the 2-year implementation of Decision No. 201-CP on unifying and intensifying land management and Directive No. 299-TTC on registering, enumerating, measuring and classifying land and ricefields.

The conference unanimously agreed that last year, thanks to the concern of all party committee and administrative echelons, the land management services from provincial to district and village levels were able to train and foster a contingent of professionally skilled cadres who can penetrate down to the grassroots level.

After 2 years of implementing Decision No. 201-CP and Directive No. 299-TTC, Ha Nam Ninh Province was able to discover that as many as 3,000 hectares of unregistered land have been put under cultivation or shifted from one type of ricefield to another without authorization. The province also dealt with 7,218 cases involving illegal use and possession of land, recovering more than 200 hectares--some 180 of which were put back into production--and collecting for the state 1.2 million dong, 235 metric tons of paddy and 4.7 metric tons of pork in compensation for incomes earned from the illegal use and possession of land.

Over the past 2 years, Ha Nam Ninh has opened up another 1,092 hectares of virgin land and expanded the cultivated area along its coastline by 1,932 hectares. Attention has also been paid by the province to settling various disputes and complaints over the use and management of land. Some 356 complaints and many long-standing disputes have gradually been settled.

CSO: 4209/337

AGRICULTURE

HANOI REPORTS RECENT AGRICULTURAL DEVELOPMENT

OW142336 Hanoi Domestic Service in Vietnamese 1100 GMT 11 Apr 83

[Review of agricultural activities over past 10 days]

[Summary] Following are some facts about agricultural production activities over the past 10 days:

"The northern provinces have been shifting their main work to caring for the winter-spring rice crop. By 5 April, the area of rice paddies, where first-phase weeding had been completed, was 92 percent of the cultivated area. Many provinces, such as Thai Binh, Ha Nam Ninh and Hai Hung had completed first-phase weeding and are now carrying out second-phase weeding in the rice paddies."

Last week's rainfall was minimal. The drought-stricken rice area remains large. In zone-five provinces and the provinces along central Vietnam's coastal area, rice has been seriously affected by drought. Rice in the northern provinces has been in danger of being seriously affected by drought. The rice pest-ravaged areas have also expanded. Localities have been intensifying their pest control activities.

"Regarding the cultivation of legumes, secondary and industrial crops, by 5 April, 796,000 hectares had been grown countrywide--154,000 less than in the corresponding period last year. Although 111,000 hectares were cultivated in the past 10 days, the cultivation ration remained low."

"The southern provinces are beginning to grow secondary crops for the summer-fall harvest. The northern provinces are striving to grow more corn, cassava and assorted beans and peas."

Harvesting has been in full swing in the south. Output is higher than previous crops. However, output is lower in the central coast areas and the central highlands.

To ensure a successful winter-spring crop in the coming period, localities should concentrate on the following:

For the northern provinces: Control and classification of rice fields should be carried out, so that appropriate care and fertilizing will be applied. Fertilizing and more weeding should be primarily accorded to the belatedly-transplanted rice areas. Timely insect control should be applied to rice pest-ravaged rice paddies. More phosphate fertilizer should be applied to the rice affected by root suffocation disease. Urgently plant more legumes, secondary and industrial crops that still can be grown within the growing season. Paddies, which cannot be quickly planted with rice, must be used for secondary crop cultivation. Seeds, fertilizer and draft animals must be secured for the 10th-month rice crop.

For the southern provinces: It is necessary to rapidly harvest the ripened winter-spring rice crop; make preparations for an early seed sowing-planting for the summer-fall rice crop; strive to grow more legumes and secondary crops for the summer-fall crop; rapidly stamp out pockets of contagion; and care for the buffalo and cattle in preparation for the 10th-month rice crop.

CSO: 4209/337

AGRICULTURE

PRODUCTION SOLIDARITY TEAMS URGED FOR NAM BO

BK121219 Hanoi Domestic Service in Vietnamese 2300 GMT 11 Apr 83

[NHAN DAN 12 April editorial: "Actively Build Production Solidarity Teams"]

[Text] Considering the characteristics of agriculture and the countryside in Nam Bo, it is necessary and highly meaningful to adopt suitable forms and steps for the cooperativization movement there. Gradually advancing from low to high, from small to large and from simple to complex is one of the guiding principles for organizing the movement. The motto is to ensure voluntariness, mutual benefit, democratic management and realistic conditions for the peasants to gradually familiarize themselves with the collective workstyle, develop their right to collective mastery and shift to higher forms in steady manner.

The movement to build production solidarity teams--a low form for initiating the peasants into collective production--has developed at a slow pace. In giving practical guidance in this work, some localities have failed to fully realize the complexities and difficulties involved and have neglected to prepare the conditions for collectivization and production reorganization. When the movement was expanded, there arose the manifestations of impatience, haste and inflexibility at the beginning; and, as difficulties arose, they were met with hesitation, casualness or indifference.

The urgent task of the provinces in Nam Bo is to complete, once and for all, the reallocation of lands within this year. On the basis of reallocating lands and establishing direct economic relations between the state and the peasantry, it is necessary to broadly assemble the peasants' families in each hamlet into production solidarity teams under the guidance of the local production committee and the peasants' association. The task of production solidarity teams consists of guiding and helping the peasants' families to engage in production in accordance with the state plan and to apply new techniques; concluding collective economic contracts between the state and the peasants' families for receiving supplies and for the consumption of agricultural products; struggling against private traders' speculative and other manipulative activities; and helping one another in productive labor and building a new life.

The form of production solidarity should be applied in the various spheres of production and business activities of the peasants' families by organizing solidarity teams for planting rice, coconuts or mangroves, raising hogs and so forth. It is necessary to encourage the peasants' families belonging to each production solidarity team or a number of such teams to pool their efforts and capital resources for building small-scale irrigation projects, roads and hamlet or village welfare facilities and take advantage of the activities performed by production solidarity teams to educate the peasants in socialism and enable them to differentiate labor from exploitation, combine common with private interests and heighten their revolutionary vigilance against sabotage by the enemy.

Realities show that if satisfactorily built to the specifications mentioned above, a production solidarity team will not only act as a purely legal work-exchange organization in the field of labor but also will serve as an initial form of economic transition that allows for the worker-peasant alliance to shift from the political to the economic field and for the establishment of direct economic relations between the state and the peasantry, thereby creating conditions for the peasants to carry out production work in accordance with the state plan, help one another in developing production, combine their interests with those of the state and shake off their dependence on the bourgeoisie. This is also a positive measure for preparing the conditions for organizing production collectives and agricultural cooperatives. Great flexibility must be observed in carrying out this work. Wherever the conditions permits, we may set up production collectives right away without mechanically going through the formation of production solidarity teams.

Actively building production solidarity teams constitutes one of the important tasks that must be carried out in the socialist transformation of agriculture in the Nam Bo Provinces this year.

CSO: 4209/337

AGRICULTURE

MORE FERTILIZER NEEDED FOR 5TH-MONTH SPRING RICE

BK101438 Hanoi Domestic Service in Vietnamese 2300 GMT 9 Apr 83

[Text] To date, the north has concluded the cultivation of the 5th-month spring rice. Despite prolonged cold weather and other disadvantages, this rice was planted at its best seasonal period on more than 85 percent of the planned area. However, in general, it was cultivated by various plantings, using different varieties and crop cultivation patterns, with 5th-month rice accounting for approximately 40 percent, main spring rice 15-20 percent, and late spring rice 25 percent.

Due to the upset in crop cultivation patterns and because ricefields were not well aerated, and duckweed and phosphate and potash fertilizers were not sufficiently supplied, 5th-month spring rice has grown at an uneven rate and harmful insects and diseases, especially root suffocation and rice blast, have tended to break out and develop easily. At present, as many as 90,000 hectares of this rice in the northern provinces are being affected by root suffocation and rice blast diseases and brown planthoppers and other insects.

The Ministry of Agriculture urges all localities and cooperatives to survey their ricefields satisfactorily so that fertilizing methods can be devised in a way commensurate with each planting and crop cultivation pattern. In the days ahead, taking advantage of favorable weather conditions, they should mobilize manpower and materials, especially phosphate fertilizer, to care for and complete weeding each planting while applying more fertilizer to those areas which were not well aerated or sufficiently enriched with duckweed and potash fertilizer. This is necessary to ensure that riceplants develop without being affected by root suffocation disease.

When it rains or when the weather is humid, we should not apply phosphate fertilizer to areas affected by rice blast. We should, however, allow water to remain in these areas at a reasonable level.

Certain localities still have not used up the relatively large quantity of phosphate fertilizer distributed to them recently for applying to riceplants, particularly those planted behind schedule. In the days ahead, these localities should review their existing stock of phosphate fertilizer to ensure a balance between the quantity reserved for the next crop season and subsidiary crops, and the quantity to be used in this 5th-month spring crop season so that this fertilizer can be applied to riceplants at the most appropriate time.

CSO: 4209/337

AGRICULTURE

'NHAN DAN' ON LAND REALLOCATION IN NAM BO

BK070258 Hanoi Domestic Service in Vietnamese 2300 GMT 5 Apr 83

[NHAN DAN 6 April editorial: "Positively Carry Out Land Reallocation in Nam Bo"]

[Text] Over the past 7 years, a campaign has been conducted to carry out land reallocation involving nearly 300,000 hectares of land and ricefields in the Nam Bo Provinces and cities and hundreds of thousands of peasants' families which either need more land or have none.

However, the directives of the party and the state on eliminating exploitation through land reallocation have not been scrupulously implemented in some localities. Exploitation is still very serious in some rural areas. A considerable number of peasants still have no land and have met with difficulty in earning their living. Some cadres and party members have been involved in exploitation.

It is important that land reallocation in the Nam Bo Provinces should be definitively completed in 1983--preferably in the first half of the year--to catch up with the crop season schedule. The ultimate purpose of land reallocation is to develop agricultural production and create favorable conditions for agricultural cooperativization and rural solidarity.

With regard to the families of bourgeois, wealthy farmers and landlords which are still exploiting people with respect to land, we should explain party-state policies to them and allow them to keep sufficient land commensurate with their ability to work and intensively cultivate it. Those peasant families with excess ricefields should be persuaded to give up what they cannot till to peasants who have little or no land.

Land reallocation among the peasants should be carried out in the spirit of sharing food and clothing with others in order to stabilize and accelerate production and promote the intensive cultivation of crops. In carrying out land reallocation, we should investigate carefully and establish land reallocation projects with the guidance of district and provincial authorities. We should implement land reallocation positively and definitively but should avoid coercion and other forcible measures which cause disunity in the rural areas.

Land reallocation which is carried out within each village to distribute land to those peasant families with little or no land at all, must depend on the average population in the village. We can adjust land allocation by dividing ricefields from adjacent villages. We should combine land allocation with labor redistribution and the building of new economic zones.

After completing land reallocation, we should immediately organize peasants into solidarity production teams and sign two-way economic contracts with the state to develop production. The land and ricefields being used by government agencies and cadres should be closely controlled. In those localities with a large excess of ricefields, some can be used by various government agencies and units for their own production or some definite area can be reserved for the family economy. The rest of the excess area must be returned to the village authorities for allocation to poor peasants. It is strictly forbidden to rent such land and ricefields for profit or manpower exploitation purpose.

Cadres, party members and their families may not involve themselves in any form of exploitation. We must resolutely eliminate from the party all members--including leading cadres of all ranks of the party and administration--who henceforth stubbornly refuse to renounce exploitation or use tricks to cover up exploitation.

The land reallocation task is closely linked with the consolidation of the party, administration and mass organizations. With respect to those peasant families which have recently been allocated land and ricefields, we should apply a policy of giving them some material assistance and promote the spirit of mutual aid among peasants so that they can effectively use the allocated land and ricefields in developing production and improving their livelihood. We can thus avoid a situation in which poor peasants who have just received some land and ricefields must borrow seeds, capital and tools at high interest rates.

The land reallocation task has been satisfactorily implemented in some localities because their party committee echelons have volunteered to help grassroots-level party organizations firmly grasp the established policies and become well aware of the number of families to be allocated more land and ricefields. They have heard the suggestions of the masses, especially those who need more ricefields or have none, and have struggled to have cadres and party members implement policies correctly. At the same time, they have motivated those families having excess ricefields to voluntarily give some of them to those who have little or no land.

Under the party leadership, relying on the laboring peasants' solidarity bloc and developing their collective mastery, we should carry out land reallocation positively, urgently and thoroughly in order to create favorable conditions for accelerating the transformation and development of agriculture in Nam Bo.

CSO: 4209/337

AGRICULTURE

SUCCESS REPORTED IN DRIVE TO SETTLE NOMADS

BK070407 Hanoi Domestic Service in Vietnamese 2300 GMT 5 Apr 83

[Text] The year 1982 crowned with the greatest success the campaign for settled farming and settled life promoted during the past decade. The basic plan for transforming virgin land into ricefields and terraced and alluvial fields, and stabilizing production was overfulfilled by 30 percent, bringing into being 2,640 hectares of croplands. The provinces that made good progress in the movement to reclaim virgin land and build ricefields and croplands were Thanh Hoa, Ha Tuyen, Lam Dong and Dac Lac.

Concerning settlement, efforts were made to help 8,699 families relocate and build houses, fulfilling 108 percent of the plan. A total of 147 small-size irrigation projects were built to ensure irrigation and drainage for 1,172 hectares of ricefields, 10 percent in excess of the plan norm. The plan for building roads, bridges and sluices was fulfilled 120 percent. Many localities scored high results in building collective welfare projects such as schools, health stations, marketing cooperative stores, nurseries, water wells and drinking water reservoirs.

Although the plan for planting perennial industrial crops and special crops was only fulfilled 94 percent, this contributed to setting up important crop areas such as coffee in the central highlands and tea, cinnamon, tung oil, medicinal herbs, vegetable seedlings and tobacco in Son La, Lai Chau, Ha Tuyen, Hoang Lien Son, Lang Son, Quang Nam-danang, Quang Ninh, Binh Tri Thien and other provinces.

The plan for afforestation and forest preservation was only fulfilled 42 percent--the lowest.

The successes achieved in 1982 helped provide the basic conditions for almost 100,000 persons to adopt settled farming and a settled life; and they may now be dropped from the campaign. The provinces with large numbers of people having completed the campaign were Thanh Hao with 31,000 settlers, Ha Tuyen with 15,000, Quang Ninh with 9,000 and Gia Lai-cong Tum--where the campaign was conducted for only 5 years--with 8,000.

In 1983 the various localities will strive to settle another 100,000 people. A total of 3,150 hectares of virgin land will be cleared for grain

cultivation--with 30 percent of them being flooded fields--and some 126 small-size irrigation projects will be built to ensure irrigation for 2,863 hectares. Efforts will also be made to plant 3,300 hectares of forests and 875 hectares of industrial crops, build 662 kilometers of roads, relocate and help build houses for 8,098 families and build other social welfare projects in service of the settlers who will be dropped from the campaign.

The people are convinced that after this review, more experiences and conditions will be available for stepping up the campaign and creating a firm basis for the mountain regions to catch up with the lowlands as advocated in the resolution of the party congress.

CSO: 4209/337

AGRICULTURE

BRIEFS

EXPORTS INCREASE--Hanoi, VNA, 8 Apr--Thanks to the system of allocation of quotas to members of agricultural cooperatives, Thach That District on Hanoi's outskirts this year has been able to shift more than 2,000 workhands to handicraft production, bringing the total employed in this service to 20,000. The district plans to increase the export value of cane and bamboo goods from 8.5 million dong in 1982 to 13 million dong this year. In addition to 5 million existing rattan and bamboo groves, farmers in the district have planted another 3 million groves on bare hills or in their own gardens. Thai Thuy District in the Red River delta province of Thai Binh, brought its agricultural exports to 41 million dong in value in 1982 from 3.8 million dong in 1978 and plans to raise it to 50 million dong this year chiefly from a planned 1 million cubic metres of rush mats and carpets. A raw material growing area has been marked off, including 730 hectares of rush this year and 1,000 hectares in the next 2 years. Besides, the planting of soybean, rattan and bamboo trees for the manufacture of export goods has also been zoned. Dien Chau, a major peanut-growing district of Nghe Tinh Province, is expected to export 1,200 tonnes of peanut this year by extending the peanut acreage to 2,800 hectares, an increase of 400 hectares over 1982. [Text] [OW110409 Hanoi VNA in English 0709 GMT 8 Apr 83 OW]

DELTA PROVINCE LAND RECLAMATION--Hanoi, VNA, 9 Apr--Three districts in the plain of reeds in the Mekong River delta province of Long An have reclaimed in the past 6 years more than 20,000 hectares of virgin land for rice, subsidiary food crops, jute and cajeput. During the war, more than 100,000 hectares in this heavily aluminous area was left uncultivated. In 1977, peasants opened almost 10,000 hectares for single-crop rice. They have built 7 irrigation canals and have added 1,000 hectares to the rice area while growing cassava on 6,000 hectares and jute on 3,000 others. This year, 10,000 hectares will be put under cajeput. The people are also building more irrigation works to transform more than 6,000 hectares of single-crop fields into double-crop ones and to extend the jute area to 5,000 hectares. [Text] [OW110409 Hanoi VNA in English 0728 GMT 9 Apr 83 OW]

FIRST QUARTER MARINE PRODUCTS--Hanoi, VNA, 9 Apr--The aquatic products service in the first quarter of 1983 produced nearly 106,000 tonnes of marine products, 18.8 percent more than the same period of last year. In particular, marine products for export topped the plan by 7.5 percent and represented a rise of 37 percent over the first quarter of last year. The southernmost province of Minh Hai, a major producer of marine products, in the past quarter yielded nearly 17,800 tonnes of marine products. [Text] [Hanoi VNA in English 0744 GMT 9 Apr 83 OW]

BEN TRE GRAIN PROCUREMENT--Ben Tre Province has procured 20,500 metric tons of paddy from the 1982-83 10th-month crop harvest; this exceeding the planned target by 2.5 percent. Party cadres and members in the province have set good examples in paying grain tax and making obligatory grain sales to the state. [BK121703 Hanoi Domestic Service in Vietnamese 0400 GMT 9 Apr 83 BK]

QUANG NAM-DANANG RICE HARVEST--By late March, agricultural cooperatives in Quang Nam-Danang Province had harvested 6,000 hectares of winter-spring rice with a rice output, for the most part, being fairly high. [BK121703 Hanoi Domestic Service in Vietnamese 0400 GMT 12 Apr 83 BK]

CSO: 4209/337

HEAVY INDUSTRY AND CONSTRUCTION

BRIEFS

TURBO-GENERATOR PRODUCTION--Hanoi, VNA, 6 Apr--To meet the needs of the development of small hydro-electric power stations, the Hanoi machine tools plant No. 1, the biggest of its kind in Vietnam to date, has built its first turbo-generator with a capacity of 1,000 kws to equip the Phu Ninh hydro-electric power station in the central Vietnam province of Quang Nam-da Nang. The plant is assembling another turbine of this class for the Phu Ninh station which will have a capacity of 1,800 kw. Designing and production as well as assembly of equipment at this station have been entirely assumed by the Hanoi machine tools plant No. 1 in cooperation with other engineering factories in the country. [Text] [OW110409 Hanoi VNA in English 0725 GMT 6 Apr 83 OW]

CSO: 4200/551

LIGHT INDUSTRY

BRIEFS

DONG NAI CONSUMER GOODS--Hanoi, VNA, 7 Apr--To push up the production of consumer goods for home consumption and export is the orientation adopted by the small industry and handicraft service of Dong Nai Province. In 1982, its output value reached 176 million dong, of which consumer goods accounted for 25.7 percent. The annual plan was overfulfilled by 23 percent, almost double the 1981 level. Thanks to abundant local material resources, in 1981, the province processed 555,000 cubic metres of timber, produced more than 3.3 million bricks and tiles, more than 1 million bowls for the collection of rubber tree latex and 7.5 million pieces of earthenware. From crude rubber exploited in Long Thanh and Xuan Loc districts, the handicraft service of Dong Nai Province has produced tyres and inner tubes for bicycles and motor-cycles and retreaded automobile tyres. Last year, the local husking mills husked 162,000 tonnes of paddy, produced more than 890 tonnes of soya cakes, 1.6 million litres of fish cause, 5,600 tonnes of sugar, 41,000 tonnes of salt and 2,000 tonnes of animal feed. The province now has 32 handicraft cooperatives and 384 collectives employing 22,100 persons. In Bien Hoa, the industrial centre of the province, 20,000 handicraft workers have already joined cooperatives or collectives. [OW110409 Hanoi VNA in English 1521 GMT 7 Apr 83 OW]

CSO: 4200/551

TRANSPORTATION AND COMMUNICATIONS

VIETNAM RADIO, TV COMMISSION MEETS TO REVIEW 1982

OW110501 Hanoi Domestic Service in Vietnamese 1100 GMT 7 Apr 83

[Summary] "The Vietnam Radio and Television Commission recently held a conference in Quang Nam-da Nang to review its 1982 radio and television work, attended by representatives of the provincial party committees, people's committees and boards of directors of the radio stations from the 40 provinces and municipalities across the country.

"Comrade Hoang Van Thang, member of the party Central Committee and secretary of the Quang Nam-da Nang Provincial Party Committee, comrade members of the Standing Committee and vice chairman of the Quang Nam-da Nang Provincial Party Committee, representatives of the propaganda-training department of the party Central Committee, the State Planning Commission, and the nationalities department of the party Central Committee also attended and contributed views to the conference.

"Comrade Tran Lam, member of the party Central Committee and chairman of the Radio and Television Commission, presided.

"The conference noted that the year 1982 was the year with strong radio-television development in all areas, from the border to the delta and coastal areas. Despite many economic and material supply difficulties nearly all provinces and municipalities overfulfilled the plans assigned by higher authority, thanks to the sector's correct guidelines, the devoted leadership and guidance of the local party committee echelons, the application of the mottoes, "Joint state-people work, joint central-local level work,' and the systematic exploitation of the localities' potential."

Nationwide, there are 4,896 radio and cable radio stations, using 745,934 loudspeakers. In the past year, the Vietnam Radio and Television Commission held three regional symposia to help localities improve cable radio transmission. During the last 6 months of 1982, the northern mountain and central highlands provinces rapidly developed the cable radio network in the border hamlets, villages and markets.

The representatives unanimously agreed to develop the cable radio network in the districts to ensure radio transmission for all village cadres, production teams and collectives.

CSO: 4209/337

TRANSPORTATION AND COMMUNICATIONS

BRIEFS

COMMUNICATION PROJECTS CONSTRUCTION--Hanoi, VNA, 6 Apr--A 6-kilometre railway on the Uong Bi-Pha Lai line for the transportation of coal to the Pha Lai thermal power plant was put into commission after 2 1/2 months of construction. A suspension bridge across the Red River in Hanoi, the biggest of its kind in the country to date, is under construction. The bridge, 1,206 metres long, is located about 650 metres from the Long Bien Bridge. It has 10 piers, a 10-metre wide concrete roadway, and footpaths on both sides. The double-lane bridge is passable to trucks of under 13 tonnes. It will be a complement to the Long Bien Bridge in carrying traffic across the Red River pending the completion of the Thang Long Bridge scheduled for 1985. Construction of other key communication projects such as the Thang Long Bridge, the expansion of Haiphong Harbour, the Pha Rung ship-repair yard, the Da Bach Bridge at the Hoang Thach cement plant, is being stepped up. On the whole, construction value of the projects undertaken by the Ministry of Communications and Transport in the first quarter reached 22.7 percent of the annual plan. Also in the first quarter, many projects were put into commission including part of the coal harbour at the Pha Lai thermal power plant, the second pontoon bridge and a motor bridge in Hanoi, the Hoa Dong Bridge in southern central Vietnam, etc. [Text] [OW110409 Hanoi VNA in English 0709 GMT 6 Apr 83 OW]

HANOI, HAIPHONG COMMUNICATIONS, TRANSPORT--Hanoi, VNA, 29 Mar--The communications and transport service in Hanoi in the first quarter of this year transported 284,000 tonnes of merchandise, up by 31 percent compared with the same period last year thanks to the increase of transport means especially of reinforced cement boats. Repair and production establishments of the Hanoi Transport Service increased their productivity by 59 percent over the first quarter of 1982. In Haiphong, 15,000 tonnes of means of transport have been mobilized by the transport cooperatives for goods transportation. These cooperatives have been an important complement to the state-run transport service in the transportation of stone and coal, two important materials for the city's industrial production, especially for the building materials industry. [Text] [OW021223 Hanoi VNA in English 1512 GMT 29 Mar 83 OW]

LONG AN RADIO NETWORK--Long An Province has thus far built a widespread radio network including a provincial level broadcast station, 10 district-level wired radio stations and 80 village-level wired radio stations. This network uses nearly 300 large loud speakers, 500 family-size loud speakers and more than 540 kms of wire. A regularly functioning radio station is now available in all the 40 villages in Vam Co and Cau Giuoc Districts. [BK121703 Hanoi Domestic Service in Vietnamese 0400 GMT 7 Apr 83]

POPULATION, CUSTOMS AND CULTURE

HO CHI MINH CITY DESCRIBED, COMPARED WITH OLD CITY

Paris LE MONDE in French 21 Mar 83 p 4

[Article by Jean-Claude Pomonti]

[Text] Jean-Claude Pomonti was a LE MONDE correspondent in Saigon from 1968 to 1974. He has just been back there for a few days. It was Ho Chi Minh City that he found—a city subjected to the rule of the North, which does not forgive the city for having been what it was.

Ho Chi Minh City—"Welcome to Ho Chi Minh City." In the tidy air-conditioned meeting room in a freshly repainted town hall, whose rococo style dates from the prosperous and very tasteful years of the Cochinchina colony, Mrs Do Duy Luyen, vicechairman of the Urban People's Committee, officiated. Since time immemorial in Vietnam visitors have been honored with that little initiatory ceremony, which is a hospitality rite and a way of avoiding a certain uneasiness and of convincing foreigners that they are guests, nothing less and above all nothing more.

Tea, coffee, mangoes, pineapples, bananas, and oranges were passed around. "We have done our best to build a revolutionary government," asserted Mrs Luyen, who had a singsong Southern accent. It was an endless task, she said, considering the legacy of the past, the "social vices," the "hundreds of thousands of young people given over to prostitution and drugs," the "thousands of disabled persons begging in the streets," and the "children with no home and no family."

Once the ritual was finished a buffet dinner was arranged on the 11th floor of the Doc Lap, the old Caravelle Hotel, on the terrace overlooking Saigon. Time has stood still there for 20 years. In a somewhat sinister setting, servants of yesteryear with pasty complexions and crumpled white jackets hurried around like robots with their trays of straight whisky, amber-colored champagne, and dubious-looking "Caravelle cocktails."

From that Saigon rooftop--15 years ago now, soon after the Tet offensive--General Abrams, the American architect of "Vietnamization," had sighed, taking in the city with his gaze: "We really can't abandon this to the communists." "It is my city," is today's retort from Mr Vu Hac Bong with his jerky Northern accent. Mr Bong is the director of the city's department of external relations, after having been ambassador in Angola and in Guinea. "At any rate," he said by way of qualification, "my wife is from here."

The message was clear: Saigon has become another city, which is no longer home for the "old Saigonese" just as it isn't any more for us. "If you used to like the bars--there aren't any of them any more," a guide said. A chapter that was a digression has been closed.

How can you be dispassionate when you lived here for 9 years before 1975--when you have the feeling in your heart of belonging to a chapter of history that is finished for good and of being on both sides of the mirror at the same time? You see places pass by that tell a thousand stories. That villa with closed shutters, glimpsed through a closed metal gate, where your children, still taking their first steps, used to wait for you in the past on evenings when you were out covering a story. That little unpretentious altar for ancestral worship, now with a plaster bust of Ho Chi Minh alongside, before which you bowed down for the wedding ceremony--already 15 years ago now. Those dozens of undecorated sidewalk cafe areas where you used to go have coffee with cream in the early morning. A piece of life resurfacing, just long enough for you to feel a pang of anguish.

And then suddenly there was a familiar sight again. In front of the closed restaurant of which he used to be co-owner, the old man with the little gray goatee quickly brought out four stools and a small folding table. "Two beers for a dollar." Two street urchins approached. "Khong co cai gi trong cai tuoi"--"I don't have any money." They were dumbfounded, the little pick-pockets. They thought they were dealing with Soviets. Were these Americans or Frenchmen? They made bets.

At Givral's, the old meeting place of journalists--and informers--formerly called "Radio Catinat," pastry and cool beverages were still being sold. On the sidewalk the same old woman was selling cigarettes. She too remembers her few packs of Gauloises spotted with moisture, put aside for her best customers, in the old days.

First impression: Saigon has become distinctly more attractive. Leaving the Tan Son Nhut airport there are flowerbeds. Alongside the Xa Lo, the short highway that goes up to Bien Hoa, the enormous shanty town erected from folded-out Coca Cola cans has disappeared. You can't believe your eyes: vegetable gardens, tree nurseries, and even rice paddies stretch out on both

sides of a road which like many other ones had been resurfaced by American military engineers before they left. On Saigon's major arteries bunches of bougainvillea provide spots of color. The little parks have regained an ordered look. The government buildings have been restored and repainted.

The Horde of Bicycles

Saigon's motor vehicles were already aging before the end of the war and have not been replaced; and gasoline is becoming scarce and expensive. One sees some gas-propelled vehicles. But the streets are mostly overrun by the horde--a less noisy one--of bicycles.

Here was a calmed-down Saigon--Saigon that had swarmed with people. In the evening many lights are out and the awnings of the little stalls are lowered, without waiting for the curfew still set at midnight. The city's population--it was more than 4 million 10 years ago--numbers probably no more than 3.5 million. A large number of peasants driven away by the war have had to go back to their rice paddies. That movement had already started before the hostilities ended. Many other people were sent to the fairly unpopular "new economic zones."

Around the big Cholon market and along the Khanh Hoi Canal some families are still sleeping on the sidewalks.

Orchards and Vegetable Gardens

Dung, the 23 year-old pedicab pedaller taking us around, told us, "My older brother, called up into the army (the Saigon government one), was killed in 1975. My father was a taxi driver. The whole family was sent to Long Thanh, on the way to Cap Saint-Jacques [Vung Tau]. There isn't enough water there and the soil is poor. We came back 2 years later. Since then I have been pedalling pedicabs to feed the family."

Forty kilometers west of the city on the Saigon River, after the orchards and pottery works of Thu Dau Mot, past the district capital of Ben Cat, is one of the areas that was most heavily bombed, which occurred mainly during the 1960's. The lunar landscape of days gone by has made way for verdant ricefields dotted with orchards and vegetable gardens. Part of the population that had fled from the fighting has come back to the location. A little further, hundreds of hectares of the Dau Tieng rubber plantation, which suffered greatly from the war, have been replanted.

The city's new masters are the little "Bo Doi," beardless soldiers of tidy appearance and with uniforms too big for them, who are mixed in with the young Saigoneses with long hair, flared trousers, and slim-fitting shirts. Two worlds are developing side by side, watching each other closely, and

not speaking to each other. However, Hanoi intends to set the tone here. When the capital shows its annoyance on the occasion of a party congress, a Nhan Dan editorial, or a speech of the secretary general's, the people's committee of Ho Chi Minh City tightens the screws a little. The stools and little tables in sidewalk cafe areas go back inside; "No more eating and drinking outdoors, for the time being," says the manager of one of those cheap restaurants that exude pop music or popular Vietnamese songs. At the Cho Troi, the open-air market, displays become more discreet. Saigon tones itself down.

And then a breath of fresh air is allowed and business resumes on a more open basis. The remaining middle class lives on packages sent by the Vietnamese diaspora in the West—a vital source of foreign currency for the state. A tremendous amount of smuggling, in particular with Singapore, is tolerated. In Cholon one can get anything, if one has the wherewithal, as long as it is displayed in a Singapore supermarket catalogue of hi-fi systems, bicycles, watches, fabrics, TV sets, etc. In order to control that trade Hanoi has gradually been establishing semi-nationalized companies (51 percent state participation) and that soft line seems to be paying off.

Envied and Scorned

Both envied for its wealth—everything is relative—and scorned for its "bad habits" by Northerners, Saigon seems to be regarded in Hanoi as an aberration that socialism will eventually absorb in the long run.

The street urchins openly but not too aggressively make fun of the few Soviets—"Lien Xo"—who show their faces. A few privileged individuals waterski on the river. On Nguyen Hue Boulevard about 20 American limousines, white and red—the wedding color—, wait to be rented by wealthy customers. On the Xa Lo we saw a traditional funeral procession going by, with its hired mourners in the white dresses of penitents and its musicians. On the sidewalks of Ham Nghi Boulevard, the squatting fortunetellers prophesy right near the "animal market."

At the Bach Dang, a popular nightclub in what used to be Catinat Street (renamed Freedom Street and then Total Insurrection Street), we enjoyed a cognac while listening to ever ravishing singers dressed in ao dai's, the elegant Vietnamese gowns, or in clinging trousers, singing the latest melancholy-laden songs of Trinh Cong Son, the famous author-composer from Hue who nowadays is a member of the Ho Chi Minh City Artists Union. Searching around among the secondhand bookshops we were still able to find Philippe Franchini's "Continental Saigon," which recounts the history of Asia's best-known hotel, requisitioned in 1975 to receive distinguished guests of state.

However, the city is under house arrest and is becoming dull. "Saigon buon qua" ("Saigon is sad") was the phrase we heard most often. In the lifeless "quan", those gathering places for unemployed youth, people sip fruit juice "to kill time." The "quan" are "our race's drug," a well-read Southerner told us long ago, "handy for young people who no longer know what to hang onto." That still seems true for an idle bunch of young people haunted by the fear of going to fight or be stationed in Cambodia.

"Shifting a city from consumption to production is not easy," lamented an official who was apparently discouraged at the results of his "30 years of resistance." One still sees barefoot children with sacks under their arms rummaging in garbage cans. The little "My Lai"'s—those Amerasians with blond hair and light-colored eyes—move away from "Bo Doi" as if conscious of some original sin. "My Lai" has become—but how could it be otherwise?—a synonym for pickpocket and street urchin.

About 30 Westerners reside in a city where, only 10 years ago now, thousands of Americans were pouring out millions of dollars that fueled commerce and trafficking activities. During the months that preceded the city's capture by the communists, it had lived through the unwholesome frenzy of the end of a reign. Nothing survives from that period. Packages or tolerated smuggling don't sustain everyone. Many heads of family are still undergoing "reeducation." Promised "reconciliation" profits those who have proved most capable of accommodating themselves to the change in government.

In the enormous Tan Son Nhut parking area, which had been laid out to accommodate the world's heaviest civilian and military traffic, the few jets parked there (Aeroflot, Air Vietnam, and a Japan Airlines cargo plane) looked a little lost. When Air France's Boeing 747 took off, the city that had been ambitious and insane faded into the background. What it could have become has been denied it forever. Ho Chi Minh City has taken its place. It was a melancholy farewell to that rival whom victory hasn't been able to make happy.

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CSO: 4219/53

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